

الجمعة 18 مايو 1996

Friday, May 18, 1996
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Come
rise to
peace

Saturday May 18 1996

Abu Dhabi D 8.50	Hong Kong HK 5.25	Osaka OR 1.20
Adelaide A 2.20	Hong Kong HK 5.25	Peking P 1.10
Athens AT 1.10	London L 1.10	Poland 2 8.50
Australia AS 2.00	London L 1.10	Portugal P 1.10
Bahrain BH 1.10	London L 1.10	Qatar Q 1.10
Belgium BF 1.10	London L 1.10	Rabat R 1.10
Bombay BS 1.10	London L 1.10	Rangoon R 1.10
Boston BT 1.10	London L 1.10	Riyadh R 1.10
Brussels BR 1.10	London L 1.10	Singapore S 1.10
Cairo CA 1.10	London L 1.10	Sydney SD 1.10
Canada CN 1.10	London L 1.10	Taipei T 1.10
Canton CE 1.10	London L 1.10	Tokyo TO 1.10
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Dubai DA 1.10	London L 1.10	USA US 2.75
Frankfurt FR 1.10	London L 1.10	Zurich Z 1.10
Geneva GE 1.10	London L 1.10	
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Paris PA 1.10	London L 1.10	
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Zurich Z 1.10	London L 1.10	

The Guardian

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Outlook

Frogs vs Les Rosbifs

Cross channel rivalry lives on



Interview

Daryl Hannah talks to Joanna Coles



Plus: TS Eliot and his anti-Semitism

Sport

George Best at 50

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Crisis in student funding forces policy change

Labour to end free degrees

Patrick Wintour, Chief Political Correspondent

LABOUR is to bite the bullet after three years of party wrangling and commit itself to making graduates pay back part of the cost of their university education. The move signals the end of free degrees.

Party leaders are planning to tackle the crisis in higher education funding by agreeing students in future must pay back a proportion of their maintenance contributions through the national insurance system.

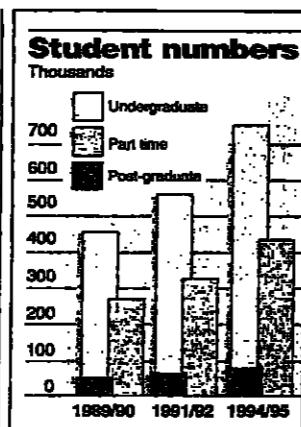
The party's national policy forum is expected to back the proposal this weekend. The idea was ditched at the last moment in 1993 when John Smith, then the leader, was not prepared to make an issue of it.

The proposals form part of a document on life-long learning prepared by the shadow education secretary, David Blunkett. They will be unveiled on Tuesday and submitted as Labour's evidence to the Government-established but bipartisan Dearing Commission on higher education funding.

They come at the end of a troubled fortnight for Labour dominated by disputes over policy and personalities.

Separate proposals to limit child benefit for children over 16 and switch funds to training and college education for 16 to 18-year-olds have already provoked unrest within the party.

Mr Blunkett has so far shown a sure footing on education policy, and senior left-wing members of the policy forum appeared yesterday to accept the logic of the proposals, arguing they will help



rather than hinder children from poor families reach higher education.

Labour is pleased that it has stayed one step ahead of the Tories on this issue and is pointing out that tuition fees will not be subject to repayment.

The plan was proposed in a slightly different form by Jeff Rooker, the then higher education spokesman, three years ago. John Smith subsequently sacked Mr Rooker.

The move is likely to receive broad support within the party as the only way to continue to fund the increasing number of students. The number of students has risen from 98,600 in 1985 to 237,000 last year.

The National Union of Students and university heads have already reluctantly embraced the idea of paying back some tuition costs through national insurance or the tax system to help fund a boom in student numbers.

Labour's proposals are modelled on an Australian government higher education contribution scheme, which has avoided deterring children from poorer families. The party is to propose that

repayment of maintenance grants should be related to earnings with the grants paid back through the national insurance system.

The speed of repayment will be geared to income levels to ease the costs of repayment in the initial years. Unemployed graduates will not be required to pay.

The paper argues that the Government's National Student Loans Company has effectively collapsed with take-up at less than half the number of students eligible. Many students are unable to meet the five year repayment requirement schedules and defaults are increasing.

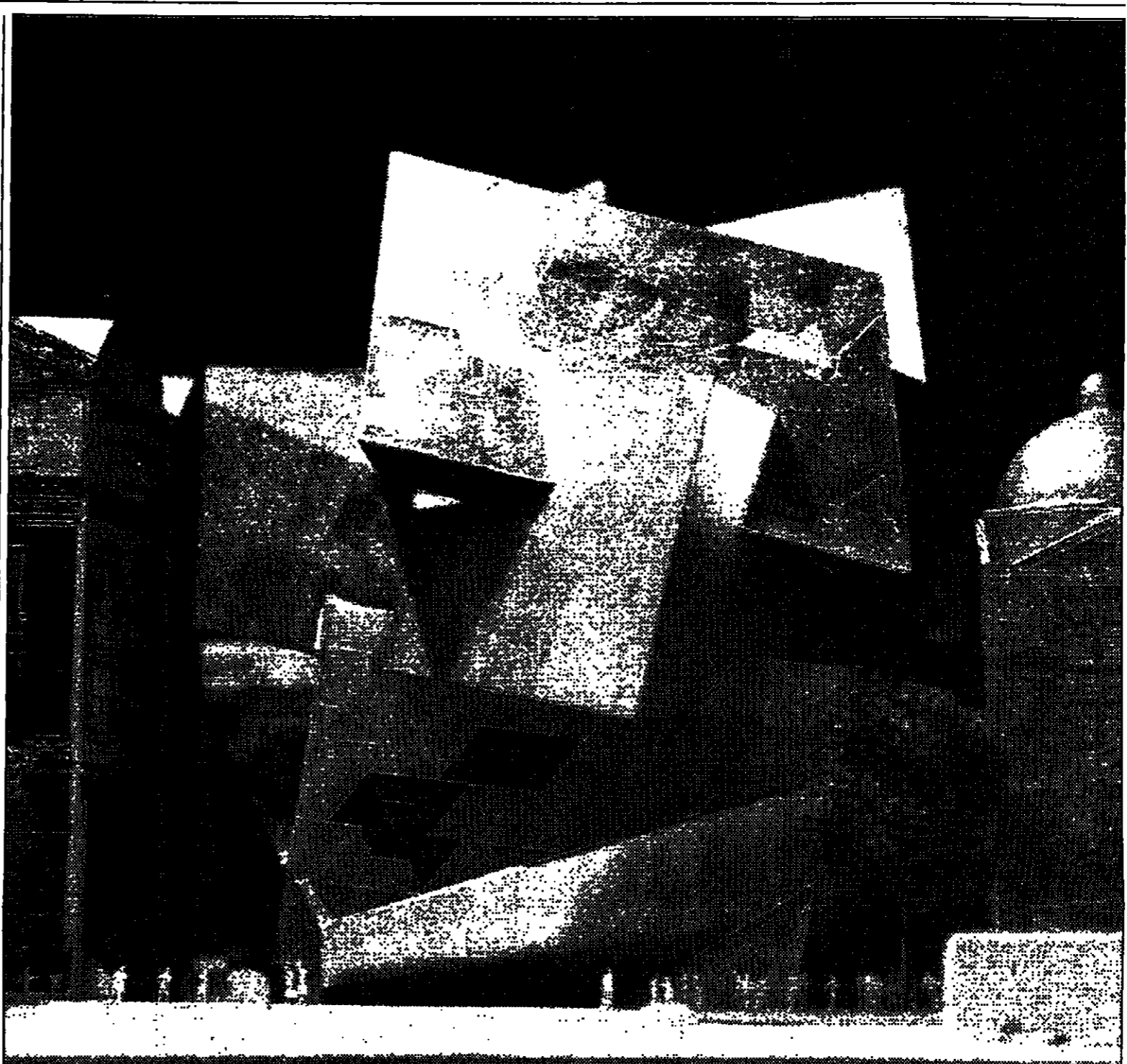
Labour points out that the number of students will have to continue to rise if Britain is to compete with other countries.

Vice-Chancellors have been threatening to impose £300 per head student levy in 1997, to confront the financial crisis, a threat that forced the Government to set up the Dearing inquiry.

The weekend forum is also likely to see some angry delegates denouncing the party leadership over its handling of plans to withdraw child benefit from parents of schoolchildren over 16. One forum member complained that announcing the plans before the meeting was "not just a discourtesy, but undermines the extent to which policy making has become over-centralised".

Chris Smith, the social security spokesman, is expected to reassure delegates that a review of child benefit is under way but that no decision had been made.

He will not present detailed proposals himself, although a discussion paper on the Child Support Agency and the future of pensions will be tabled.



Daniel Libeskind's design for the V & A extension, which he says will bring London 'into a more glorious and fantastic world' PHOTOGRAPH: GRAHAM TURNER

Gasps and groans as V&A reveals its Spiral

Architects split by tiled building which 'explodes' up from façade

Maev Kennedy, Heritage Correspondent

THE Victoria and Albert Museum unveiled a jaw-dropping design for a new £42 million building on its South Kensington site yesterday. Its architect, Daniel Libeskind, described The Spiral, as "an Ariadne's thread leading into the interior of the museum".

It was promptly denounced as ghastly by Giles Worsley, editor of *Perspectives* magazine, the magazine backed by the Prince of Wales.

Sir Michael Hopkins, who designed the master plan for the development of the V & A and was on the shortlist of eight architects competing for the new building, said he had admired Mr Libeskind's work in the past.

Others in the profession were also enthusiastic. Edward Jones who, with Jeremy Dixon, is building extensions to the Royal Opera House and National Portrait Gallery, said he was delighted. "I feel pleased for him and the architectural world that risks are being taken," he said.

The innovative architect, Peter Gough said: "It shows a new sophistication in this country to use non-British architects." Mr Libeskind

said he had been inspired by the inscriptions on the Cromwell Road portals: "Inspiration" and "Knowledge". The finish was chosen to reflect the ancient tradition of tile work, from Islamic architecture to the US space shuttle, and the magnificent tiles in the museum's collections.

Mr Libeskind was the unanimous choice of the assessors out of a shortlist including Sir Norman Foster, Nicholas Grimshaw and Zaha Hadid after the assessors went to see his Berlin and Jewish museum.

A US citizen of Polish origin, Mr Libeskind is Professor of Architecture at the University of California, Los Angeles, but has worked extensively in Europe and Japan. His new building will include several galleries and a two-storey restaurant. The V & A confirmed yesterday that it will be about £5 ad-

mission from next October. The blame was laid squarely on Government grant cuts.

'Four-all draw' to end Britain-Russia spy row

Ian Black and Richard Norton-Taylor, and David Hoarst in Moscow

FOUR British diplomats are being expelled from Moscow and four Russians from London in a negotiated conclusion to the most serious East-West espionage crisis since the end of the cold war, it was announced last night.

Both countries hope relations can now return to normal after a damaging 10-day episode. Well-placed Whitehall sources called the tit-for-tat deal a "four-all draw".

Russian officials in London called the British move "unjust, unfounded and unacceptable retaliation".

Britain has made clear that it considered Moscow's action — almost certainly the result of the tense political atmosphere before next month's presidential elections — provocative. It has warned it will retaliate again if the Russians hit back.

Britain never denied Russia's allegations, announced with fanfare 10 days ago, though it challenged Moscow's initial demand for the expulsion of nine Britons as disproportionate. It insisted that no incriminating evidence was produced.

In a terse but moderately worded statement, the Foreign Office said last night that Russia's final position had been given to the British ambassador, Sir Andrew Wood, by the deputy foreign minister, Sergei Krylov: four diplomats had been ordered to leave the country in the next few days.

The Foreign Office minister, Sir Nicholas Bonsor, then called in the Russian ambassador, Anatoly Adamishin, and handed over names of four embassy staff to be withdrawn in the next fortnight. The statement conspicuously avoided the harsher word "expel".

Neither side, apparently by agreement, published the names of the staff who are

being expelled. Russia's FSB security service had insisted that nine British officials had to be expelled, but the Russian foreign ministry never gave a figure.

British officials made it clear the negotiations continued in Moscow that the greater the ambiguity surrounding the affair the easier it would be to reach a face-saving compromise.

Britain also warned Russia from the start that there would be a significant response with large-scale tit-for-tat expulsions of Russian diplomats from London.

Russian sources said that Western espionage activity had become humiliatedly brazen in recent years.

A well-informed article in *Moscow News* claimed the British connection with the spy was revealed by sloppy work by MI6 officers, who had got rusty because they faced so little opposition from Russian counter-intelligence.

BA and Branson vie for control of rail links

Keith Harper, Transport Editor

THE ceaseless and bitter rivalry between British Airways and Richard Branson's Virgin group is descending into another fierce battle — five miles lower than before as both sides vie for control of the railways.

It emerged last night that Britain's largest airlines are locked in a head-to-head contest to run the crucial parts of the rail network that serve the country's airports. Their ambitious plans include new stations — Virgin wants to build Heathrow North on the London-Reading line — and perhaps fast links between terminals at Gatwick, Heath-

row, Birmingham, Manchester and Glasgow.

Both sides are still trading blows about Virgin's allegations of "dirty tricks" — are to bid for Thames Trains, which offer direct links between London and the two largest airports in the country.

But even more significant is their interest in British Rail's West Coast main line, the important artery joining London, Birmingham, Manchester and Glasgow.

This could also be developed to link with the airports serving all these cities, creating new traffic demand for passengers entering and leaving the country at Heathrow.

The Thames Trains contract is to be let by the franchising director, Roger Salmon, by the end of the year.

Virgin and its partners are offering to build a new station named Heathrow North on the old Great Western line, which would provide easier access to Heathrow from the Home Counties as well as London.

BA is negotiating with the American airline, Delta, in its efforts to link with an important American carrier. Discussions with American Airlines are still proceeding, but BA discounted reports from the United States last night that both sides were on the verge of announcing a merger package.

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by NICK DAWES

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Howard and Clarke clash on Europe

Patrick Wintour, Chief Political Correspondent

TWO of John Major's three most senior ministers clashed on Europe yesterday when the Home Secretary, Michael Howard, became the first member of the Cabinet to call openly for a restriction of powers from the European Union. His demand came as the Chancellor, Kenneth Clarke, attacked Tory Europhobes and warned that disengagement from Europe would leave Britain as a "Switzerland with nuclear weapons". Conservative officials insisted that Mr Howard's outspoken attack on the powers of the Strasbourg judges had been cleared with the Foreign Secretary, Malcolm Rifkind, in advance, and did not contradict the Government's European White Paper. But Tory sceptics will be delighted that Mr Howard has taken up their claim that a multi-speed Europe opens the way for Britain to win back powers it has ceded in the Maastricht Treaty and Single European Act. Speaking to the European Research Group in London, Mr Howard said a multi-speed Europe "could allow those countries which wish to amalgamate their institutions to do so while permitting other states for example to remain within a single market, but outside a political union. This may indeed mean that some states would be able to repatriate powers which are currently exercised by Brussels."



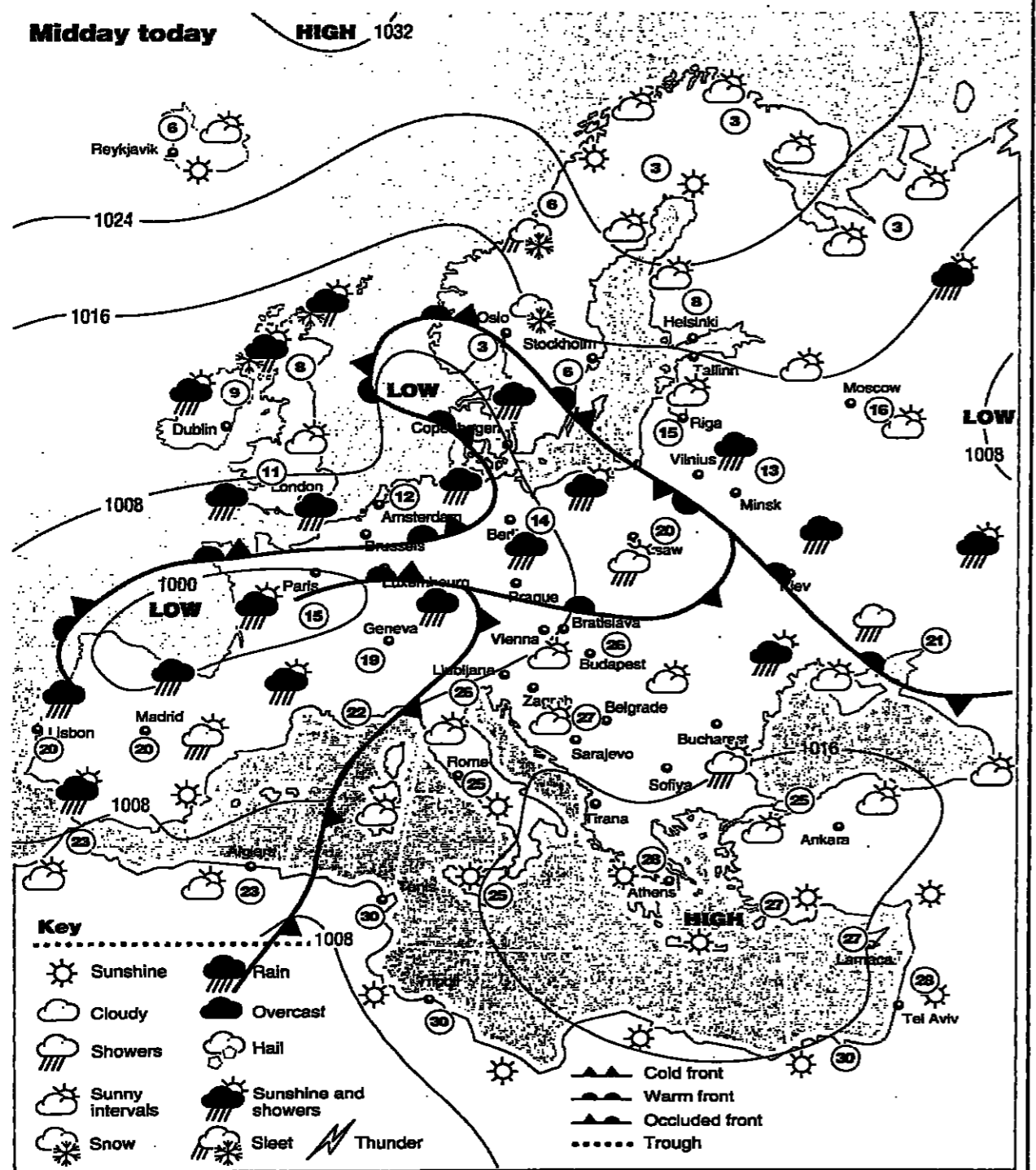
This 150ft by 40ft Nike poster featuring Italy's player Maldini dwarfs cars on the North Circular Road, London. The FA is accused of smaller-scale celebrations

Football comes home — but to what?

Porters groups and local councils, because the Government and the Football Association will not fund a proper football festival. Host cities have complained they will be left with multi-million pound deficits after football authorities failed to provide cash for essential services to sustain an estimated 300,000 overseas visitors. Jack Cunningham, the shadow heritage secretary, said last night that a "pitiful" amount from the Government — £100,000 for the eight host cities — would make Britain the laughing stock of Europe. "Here we are with the biggest sporting event many can remember — an excellent way to promote the UK with billions tuned in around the world — and ministers seem completely disinterested. They have blown it." The Government, which will make an estimated £3 million from VAT on tickets, had said it would contribute £750,000 to the cultural programme of Euro 96, but there were so many strings attached that only £100,000 is being accessed by local councils. With the cost of extra policing likely to reach £5 million — plus the cost for councils of providing services such as entertainment and camp sites — local authority organisations are seeking urgent talks with ministers and the FA.

The Football Supporters Association yesterday joined the criticism. "If you throw a party you expect it to cost a few bob," said Steve Beauchamp, its Euro 96 officer. "The tournament has a great slogan — Football Comes Home — but comes home to what? A few pennants on lampposts?"

The weather in Europe



Forecast for the cities table with columns for Today, Tomorrow, and Wednesday for various European cities.

Around the world table showing weather forecasts for various global locations.

European weather outlook: Central and south-western Scandinavia, including Denmark, will be cloudy and unseasonably cold with showery outbreaks of rain and hill snow. Further north and east it will be much drier and brighter, but still decidedly chilly for mid-May. Max temp 5-12C from north to south. Low Countries, Germany, Austria, Switzerland: Low pressure still dominates the weather over central and western Europe. That means it will be another very showery day with limited amounts of sunshine, although eastern Austria may escape and stay fine and fairly warm. Highs ranging from 10C on the Dutch coast to 20C near Vienna. France: More very disturbed weather today with showery or longer spells of rain likely just about anywhere, and there may be a few thunderstorms scattered about. Max temp 12-23C from north to south. Spain and Portugal: Southern and eastern Spain should be dry, but Portugal and western Spain will have some heavy showers and minimal sunshine. Max temp 18-24C. Italy: The mountains in northern Italy are likely to see some heavy showers today, but the rest of the country will be sunny and very warm. Max temp 21-27C. Greece: Another very sunny and quite hot day with cooling sea breezes on the beaches. Highs 26-30C.

Television and radio — Saturday

BBC 1: 8.55am News, 9.30am News, 10.45am News, 12.00pm News, 1.30pm News, 2.30pm News, 3.00pm News, 4.00pm News, 5.00pm News, 6.00pm News, 7.00pm News, 8.00pm News, 9.00pm News, 10.00pm News, 11.00pm News, 11.30pm News. BBC 2: 7.00am News, 8.00am News, 9.00am News, 10.00am News, 11.00am News, 12.00pm News, 1.30pm News, 2.30pm News, 3.00pm News, 4.00pm News, 5.00pm News, 6.00pm News, 7.00pm News, 8.00pm News, 9.00pm News, 10.00pm News, 11.00pm News, 11.30pm News. BBC World: 7.00am News, 8.00am News, 9.00am News, 10.00am News, 11.00am News, 12.00pm News, 1.30pm News, 2.30pm News, 3.00pm News, 4.00pm News, 5.00pm News, 6.00pm News, 7.00pm News, 8.00pm News, 9.00pm News, 10.00pm News, 11.00pm News, 11.30pm News.

Television and radio — Sunday

BBC 1: 8.55am News, 9.30am News, 10.45am News, 12.00pm News, 1.30pm News, 2.30pm News, 3.00pm News, 4.00pm News, 5.00pm News, 6.00pm News, 7.00pm News, 8.00pm News, 9.00pm News, 10.00pm News, 11.00pm News, 11.30pm News. BBC 2: 7.00am News, 8.00am News, 9.00am News, 10.00am News, 11.00am News, 12.00pm News, 1.30pm News, 2.30pm News, 3.00pm News, 4.00pm News, 5.00pm News, 6.00pm News, 7.00pm News, 8.00pm News, 9.00pm News, 10.00pm News, 11.00pm News, 11.30pm News. BBC World: 7.00am News, 8.00am News, 9.00am News, 10.00am News, 11.00am News, 12.00pm News, 1.30pm News, 2.30pm News, 3.00pm News, 4.00pm News, 5.00pm News, 6.00pm News, 7.00pm News, 8.00pm News, 9.00pm News, 10.00pm News, 11.00pm News, 11.30pm News.

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West faces new Bosnia débâcle

Ed Vulliamy and Ian Black

THE WEST is heading for a new débâcle in Bosnia, according to a leaked United States document which concludes that the Dayton agreement which ended the war last autumn is rapidly falling apart.

The draft report, compiled by America's top intelligence analysts, warns President Bill Clinton and his allies that optimism about Dayton is misplaced, and that elections due in September will create a country as bitterly riven along ethnic lines as at any time during the war.

US intelligence sources yesterday called the paper "the most important of its kind" since a CIA report in 1990 warned that Yugoslavia faced a bloody break-up. That report was ignored with disastrous results.

The leaked draft says the Dayton plan is collapsing in the face of the continued defiance of indicted war criminals, notably the Bosnian Serb president, Radovan Karadzic, charged by the Hague tribunal with genocide.

It concludes that the Muslim-Croat federation brokered by the Americans in 1994 has become a meaningless farce, with the two groups preparing for bloody confrontation.

The report throws doubt on whether elections can take place on schedule and raises the most fundamental question of all: what will happen in Bosnia if the US-led Nato peacekeeping troops leave as planned at the end of the year.

Strains within the Atlantic alliance over what to do in Bosnia have begun to reappear in public. Last week, Richard Holbrooke, the bombastic architect of Dayton, once again accused America's European allies of undermining his plan through indifference.

Pressure mounted yesterday across the alliance for the delivery of Mr Karadzic to the Hague tribunal to face charges of genocide, with the Foreign Office entering the fray with unprecedented gusto.

Senior British officials said they were prepared to support anti-Karadzic Serbs in what is becoming a ferocious internal power struggle.

A summit in Florence next month is due to assess the Dayton plan midway through its mandated year of implementation. The report challenges the Clinton administration's public satisfaction with the plan's progress.

The report focuses on the Bosnian elections, which Clinton is keen to push ahead with, so can go to the polls himself in November with Bosnia as a trophy.

The report judges that Bosnia has no chance of returning to anything other than the ethnically-based parties that were welded together during the slide to war in 1991.

The report says the political leaders of all three communities are intent on entrenching their own ethnic power-bases, and fear their authority would be dissipated by a multi-ethnic state.

An intelligence source in Washington told the Guardian that the report, summarised in the New York Times, was "a draft, not the final thing, and wouldn't have leaked out unless its authors were worried that it might not end up looking like that".

A former US senior policy maker said the report was part of a campaign by the CIA and other agencies to convince Mr Clinton to avert a bloody débâcle by delaying the elections, and tying them in with the war crimes issue.

The official said the intelligence agencies wanted to point out that "you can't hold elections while the criminals and their henchmen are still running the show. An election that returns war criminals or their puppets is a train-wreck, not a triumph".

The Organisation for Security and Cooperation in Europe, which is organising the elections, has said that the conditions are far from appropriate, with hundreds of thousands of refugees too terrified to return home, and leaders indicted for war crimes still wielding power.



Actor and comedian Stephen Fry mixed frank revelations with witty self-deprecation during yesterday's launch in London

PHOTOGRAPH MARTIN ANGLER

Enter Fry, centre stage, for bravura performance on depression and suicide

Gary Younge

THE Samaritans had wanted to talk about suicide but were beginning to fear the worst. Half an hour after the scheduled starting time and actor and comedian, Stephen Fry, had still not turned up. They kept the coffee flowing, but were running out of biscuits. They had just

resorted to nervously rearranging the mineral water on the empty stage, when a self-effacing Fry entered, centre stage, to deliver a bravura performance to launch the charity's week-long effort to promote its work.

Mixing very frank revelations about his state of mind last year, when he walked out of a West End play, with witty self-deprecation, Fry, aged 37,

said if he had his time again he would "call the Samaritans instead of picking up a cross-Channel ferry ticket". He did not call the Samaritans because as a celebrity he did not feel he would be treated with anonymity, but now recognised that attitude was "a steaming pile of pants".

His time away left him seriously contemplating suicide, he said. "I think the only

thing that stopped me was the knowledge of the devastation it would cause to my family. It was the only bit of reason, the little voice in my head, which did not desert me. I did feel it was the nastiest thing. I cannot understand it now. It is inexplicable."

Reason has nothing to do with it. "There is no logical explanation for despair," he said. "You can no more reason yourself into cheerfulness than you can reason yourself an extra six inches in height. You can only be better prepared."

The Samaritans, who counsel people about suicide and mental illness, say 100,000 people a year attempt suicide in Britain, and nearly 7,000 succeed.

"This represents about one death every 75 minutes and

leaves a death toll 25 per cent higher than those killed in road accidents," said Simon Aronson, the charity's chief executive, who introduced his report, Challenging the taboo.

It showed the most common reason for suicide was the break-up of a relationship, followed by work or study problems, alcohol, finances, social isolation, housing, health and sexual abuse. But even though one in four people has been affected by suicide, more than a third believed depressed people should just "pull themselves together".

The least sympathetic to suicide and depression were the very young, the old and men. "Men would rather take their trousers off in public when they're drunk than open the shield of their hearts when they are sober," said

'Men would rather take their trousers off in public when they're drunk than open the shield of their hearts when they are sober'

'I was 16 and swallowed a cocktail of tablets that made me projectile vomit so hard it hit the ceiling and woke up my brother in the next room'

Fry. Ironically, the survey showed the risk of suicide was highest in men aged under 25 and those aged over 65.

Fry, who is finishing a novel and preparing to play the lead in a film on Oscar Wilde's life, attempted suicide when he was 16. "I swallowed a cocktail of tablets that made me projectile vomit so hard it hit the ceiling and woke up my brother in the next room," he said. He had his stomach pumped and soon recovered, but said it was possible the level of depression he suffered last year could return — but he was now stronger to deal with it.

"It's like living in Florida where there may be another hurricane which will blow the house down. But this time I've built my house slightly more strongly... I hope."

Uproar as death rider escapes jail

Alex Bellis

THE family of a charity worker run over by Nicholas Bonham, deputy chairman of Knightsbridge auctioneers, caused angry scenes at the Old Bailey yesterday when he was cleared of causing death by dangerous driving. He was fined £500 and disqualified for 12 months after admitting careless driving.

Steve Franklin, whose father Eric was hit by Bonham's BMW motorcycle, shouted "You are going to die," as police officers moved in to protect the defendant.

Mr Franklin added: "We are the lower classes, the likes of us would be locked up."

His sister tried to get to Bonham, a friend of the Prince of Wales, and said: "Bastards like you don't get justice. You killed my dad and he was our only parent."

Bonham had to leave the court through the cells area to avoid Mr Franklin's relatives.

Mr Franklin never regained consciousness after the accident on a pedestrian crossing in Battersea Park Road in Battersea, south-west London, last September. He died two days later in hospital from skull and brain injuries.

Judge Paul Collins told the court that he sentenced on the basis that Bonham had been acquitted of causing death by dangerous driving but had admitted from the outset that he drove without care and attention. He said he bore in mind the "precise nature" of the charge.

He said: "I cannot attempt to measure the value of life which has been lost by the result of your driving without due care and attention. That would be quite wrong on a charge of driving without due care and attention."

But he added it was a bad case of careless driving and Bonham's response to the possibility of a pedestrian on the crossing was "quite inadequate".



Nicholas Bonham... upset but 'the result is right'

He took into account Bonham's "excellent character and that you showed remorse from the moment the impact took place". The judge also accepted that Bonham, aged 47, had suffered the effects of his careless driving, but added it was nothing to that which Mr Franklin's family had sustained.

Mr Franklin, aged 58, a retired lorry driver and father of four, had worked voluntarily at a Sus Ryder charity shop. He had 11 grandchildren and was understood to have been planning to move to Somerset.

Timothy Langdale QC, defending, said that Bonham had been caused both anxiety and stress by the accident. He had to take sleeping pills now and his hair had gone grey.

Bonham had told the jury in evidence that he had seen Mr Franklin on the pedestrian crossing. He had been travelling at a sensible cruising speed.

Outside the court, Bonham said: "The whole thing has been a tragic accident and I am distraught at what happened. I think the result is absolutely right and I am pleased for that. But I am very sad for the Franklin family and I know what they are going through."

Black tipped for top US navy job

Martin Walker in Washington

AN AFRICAN American was tipped yesterday as President Bill Clinton's likely choice to replace Admiral Jeremy "Mike" Boorda, who committed suicide on Thursday to spare the navy a scandal over his wearing of medals he had not earned.

Admiral J. Paul Reason, promoted recently to command the Atlantic fleet, was one of the three main contenders for the task of restoring the battered morale of the navy. He would be the first African American to hold the top navy job — chief of naval operations.

Adm Reason specialised in nuclear engineering, became naval aide to President Jimmy Carter, and made his career commanding surface ships and in the navy's policy-strategy staff.

The other main candidates are Admiral Leighton Smith, Nato's southern commander in the Mediterranean and in charge of the Bosnia mission, and Admiral William Flanagan, the previous commander of the Atlantic fleet.

In his two suicide notes, Boorda said he was taking his life to spare the navy a scandal based on his "honest mistake" of wearing combat insignia to which he was not entitled. The insignia were two metal clasps attached to a cloth medal in the shape of a V. It stands for valour, and means the medal was earned in the face of hostile fire.

Hearing that Newsweek reports were coming to see him about his right to wear the medals, Boorda suddenly cancelled lunch and a meeting, and went home to shoot himself in the chest with his son-in-law's 38 pistol.

"Within the military, this is a big deal," said Roger Charles, who works for the National Security News Service, which first investigated the admiral's right to the medals. "Once that story ran, I can't imagine how he would

face the other service chiefs." In an unrelated incident, the independent newspaper Navy Times ran an anonymous letter this week saying Boorda should resign. "Every officer from four star to the newest midshipman at the academy has no respect for the man at the top," it said.

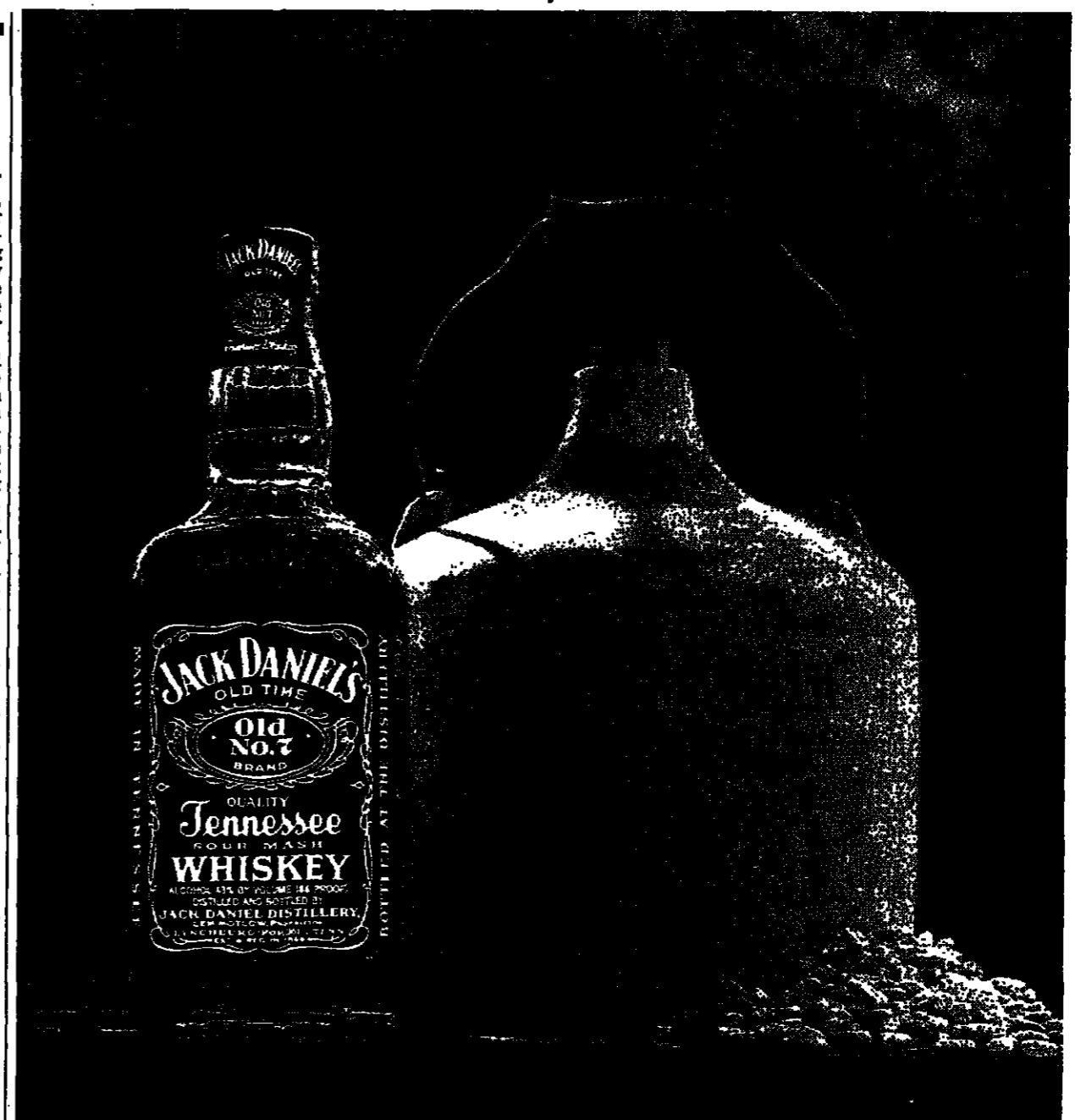
Boorda, the first enlisted man to rise to command the US Navy, has grappled with only moderate success with the force's problems. The 600-ship navy of the Reagan years is now only half that size. It has faced a cheating, drug dealing and car theft scandal at the celebrated Naval Academy, and the after-shocks of the Tailhook scandal.

The Tailhook convention — the annual gathering of aircraft carrier pilots in Las Vegas — in 1991 prompted complaints from women officers of gross and drunken sexual harassment. This led to a series of purges, and a naval sensitivity to sexual discrimination which inspired Adm Boorda to order a 24-hour "stand down" last year for the navy to "take a long, hard look at ourselves".

Boorda was criticised for failing to defend Admiral Stanley Arthur, who took retirement after his appointment to command the Pacific fleet was challenged over the handling of the promotion of a woman.

"Some senior officers are guilty of the ultimate disloyalty. To save or advance their careers, they abandoned the very ideals of their profession in order to curry favour with politicians," former navy secretary James Webb charged last month, in an open attack on Boorda.

● A US Navy nuclear-powered attack submarine collided with a Saudi Arabian merchant ship in the Atlantic off Virginia yesterday, without causing injuries, the navy said. There has been a spate of accidents involving the navy, including crashes of several F-14 fighter jets.



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JACK DANIEL'S TENNESSEE WHISKEY

For though we respect and fear Germans more — because they gave us our wretched royal family, as well as toothbrush moustaches and Christmas trees — our oldest and best tabloid quarrel, lasting century after century, inexhaustible in the variety of mutual insults it affords, lies with the French.

Nicholas Fraser, Outlook page 13

The search for commercial sponsors for the proposed exhibition at Greenwich has had to be extended by six weeks. Work on clearing the site has not started. In some quarters, words such as 'shambles' are being used. And January 1, 2000, is getting uncomfortably close

Dan Glaister on a flagship event



The Millennium Exhibition site at Greenwich, where work has not yet started on the clearing of toxic waste

PHOTOGRAPH: GARRY WEASER

Fears for millennium deadline

IT IS one deadline that cannot be missed. The Greenwich Millennium Exhibition, the flagship event of Britain's celebration of the new century, has to be ready on January 1, 2000. But yesterday it emerged that the Millennium Commission had extended by six weeks to the end of June the deadline for finding commercial sponsors for the project. The commission has to match the £200 million of National Lottery funds already committed to the project with funds from the private sector. The Greenwich exhibition will involve the regeneration of a 70-acre former gasworks site owned by British Gas. The first stage of work would be to clear the area of toxic waste. With plans for the exhibition apparently running late, the bidders behind Birmingham's rejected attempt to stage the exhibition said they were ready to step in. John Cole, marketing director for Birmingham National

Exhibition Centre, said yesterday: "We have sent a message to the Millennium Commission to say we are keen to have discussions with them if they are in the market for a radical re-appraisal. I believe the big corporate sponsors feel more comfortable with something in the centre of England reaching out to the rest of the country." A spokeswoman for the Millennium Commission — which brought in Sir Peter Levene, one-time adviser to the Prime Minister on efficiency — to devise a business plan that would make the project commercially viable, said it remained committed in principle to the project. "Sir Peter is being asked to identify partners," she said. "The Millennium Commission, like the commercial partners, has to be assured of the project's viability before finally committing to it." Sources close to the project suggested that too much political capital had been invested in the Greenwich Exhibition

to abandon it now, even though no work had been done at the site. Theresa Sewart, leader of Birmingham city council, said she was not surprised at the delay. "It's the wrong place. It will cost three times what it would have cost in Birmingham, but it will probably go ahead in Greenwich." The Millennium Exhibition comes under the jurisdiction of the Department of National Heritage, and the Heritage Secretary, Virginia Bottomley, is chairwoman of the Millennium Commission, but the driving force behind the event is thought to be the Deputy Prime Minister, Michael Heseltine. Potential commercial investors and sponsors have complained that the Greenwich plans are too vague, but imagination, the design group charged with the creative work, said the only details missing were the financial ones. "All the creative and design work is in place," a spokeswoman said.

The exhibition — a celebration of time — will include 12 pavilions arranged in a circle to resemble a clock face. Each will examine a different aspect of time. The exhibition will last a year. Nigel Spearing, Labour MP for Newham South, which borders the site, said the project was flawed in its conception. He called on the commission to involve the local boroughs, the borough-backed Greenwich Millennium Trust and the Corpora-

tion of London in the project. Michael Cassidy, chairman of the corporation's policy and resources committee, admitted the project was a shambles, but said: "While we're extremely keen for London to have this enormous investment, we're not going to barge in now." Nick Raynsford, MP for Greenwich, said that given the tight timetable given to Sir Peter, the delay was not surprising, "but the weaknesses that have emerged

have to be addressed. There has to be a clear leader for the project. I want to see a single communal structure, so that investors can see how their money is being used." Mr Raynsford dismissed Birmingham's late bid. "If Greenwich doesn't happen, nothing will happen. If this is to be a success, it has to be somewhere with international pull... If the Government fluffs this one the country will pay a heavy price."

News in brief

Europe challenge to police immunity rule

A CHALLENGE to the rule that victims of crime cannot sue the police for negligence cleared the first hurdle in Strasbourg yesterday on the way to the European Court of Human Rights. The European Commission of Human Rights ruled admissible a claim by the family of a man who was shot and killed by a teacher who had threatened to "do a Hungerford". The commission will still have to decide on the merits of the case before sending it to the human rights court. Multiye Osman and her son, Ahmet Osman, claim that police immunity from negligence actions in investigating and suppressing crime breaches articles of the convention guaranteeing the right to life and right to a fair trial. In 1987 police were informed that Paul Paget-Lewis, who taught the son, then 14, in Hackney, east London, had threatened to "do something which would be a sort of Hungerford" and had caused incidents at the Osmans' home. Paget-Lewis then killed Ali Osman, the father, and injured the son. He further shot and injured his school's deputy head and killed his son. Paget-Lewis was convicted of manslaughter and sentenced to be detained in a secure mental hospital. The family sued for negligence, but the court ruled that public policy required immunity for the police. — *Clare Dyer*

Driver held after cliff plunge

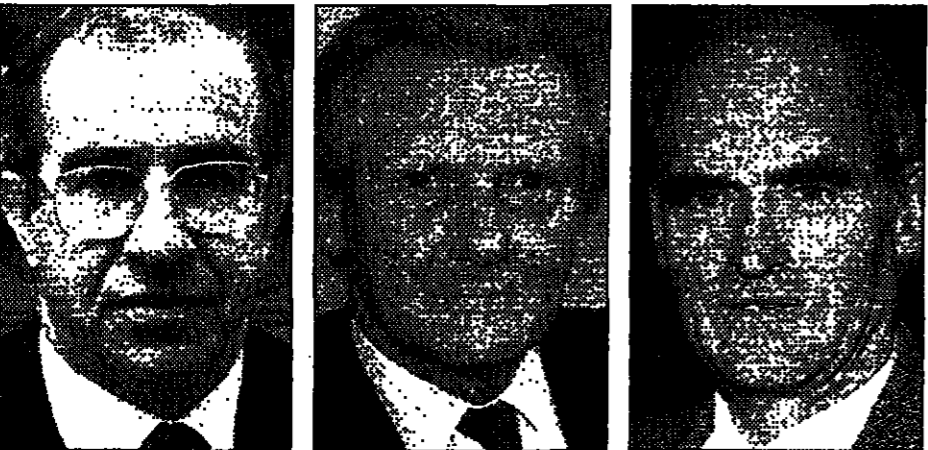
POLICE are holding the driver of a van which plunged over a 60-foot cliff, killing two passengers and injuring four others. The plunge took place at 3am yesterday when the van carrying seven people left the coastal road near Broadstairs, Kent. The 18-year-old driver could not be found at the scene and was arrested later. The dead were Neil Harvey-Jones, 20, and Samantha Edwards, 17, both from Ramsgate. The injured — Melissa Kennett, Laura Sells, Gary Blake, and another young man, all in their late teens or early 20s — were yesterday at the Kent and Canterbury Hospital in Canterbury. A coastguard spokesman said: "There was quite a lot of carnage and one of the victims had to be taken to hospital by a helicopter."

Paint-daubing 'victory'

PEACE campaigners celebrated a "symbolic victory" yesterday when a 26-year-old woman was given 140 hours' community service plus £100 costs for doing £21,504 of damage at a United States National Security Agency base. Kate Witham, who works on supply convoys to former Yugoslavia, daubed Peace, Truth, Justice and Freedom in red paint on the golfball radomes at Menwith Hill, Yorkshire. Yorkshire CND asserted that Ms Witham, who climbed into Buckingham Palace gardens three years ago on a nuclear protest, had been "effectively vindicated" by the sentence. — *Martin Wainwright*

HRT helps stop bone disease

RESULTS of a 10-year trial of continuous hormone replacement therapy showing its effect on the onset of the brittle bone disease, osteoporosis, in post-menopausal women were presented to a conference in Amsterdam yesterday. Women who received the treatment had an estimated 30 per cent reduction in fracture risk over 10 years, compared with a 12 per cent increased risk in an untreated group. Previous studies have only been conducted over five years. Osteoporosis threatens the health of one in three European women over the age of 50.



Sir Peter Levene, planning; Michael Heseltine, driving force; Nigel Spearing, critical

Offer to Allitt families

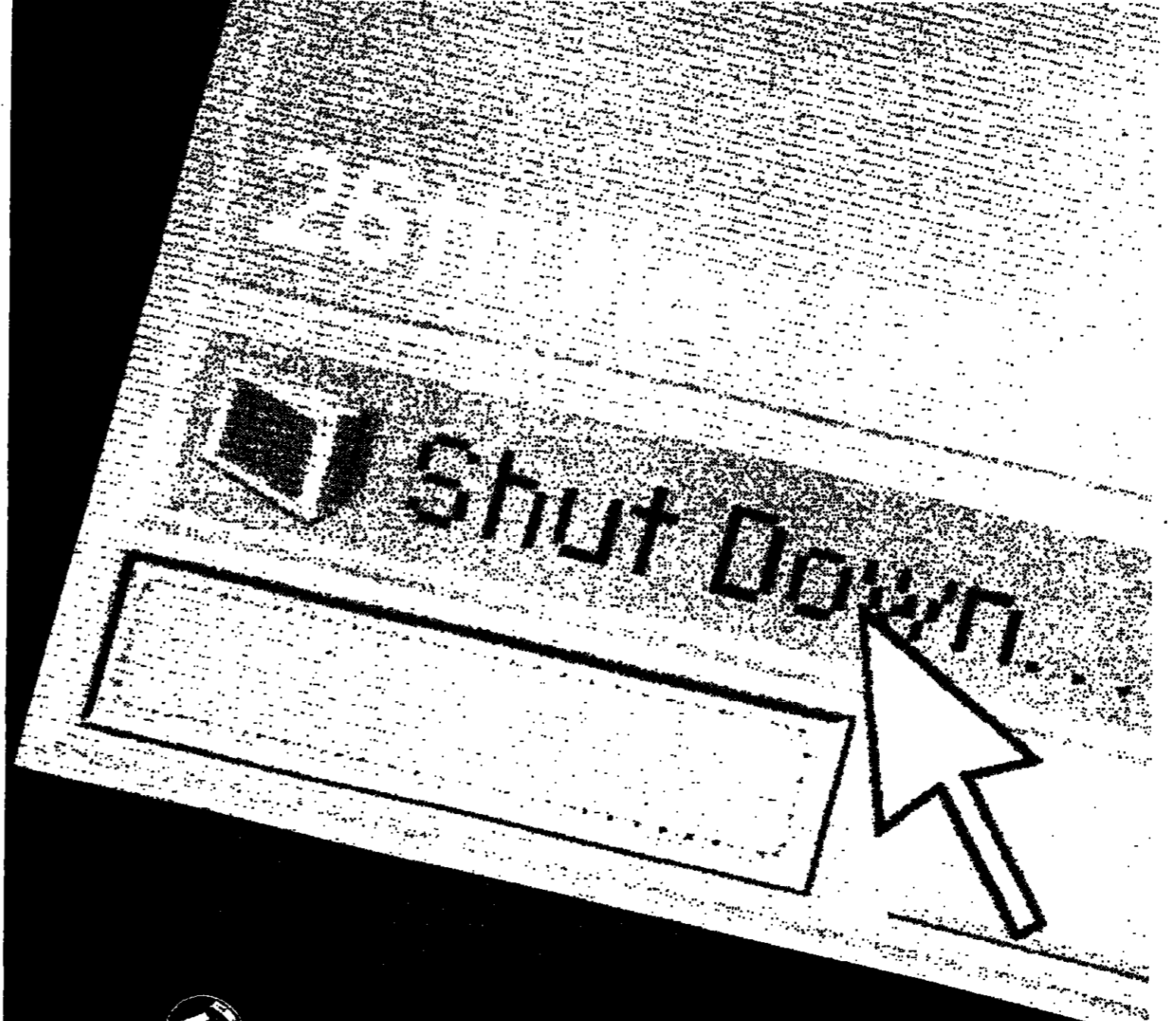
Parents of nurse's victims given 2 weeks to accept stress payout

OWEN BOWCOTT
The proposed payments — expected to total £500,000, to be shared among 13 families — would avoid an expensive test case over liability. Under the offer received by lawyers yesterday, the parents of the four children murdered by Allitt in 1991 at Grantham and Kesteven hos-

pital, and of nine other children she attacked when she was a nurse there, must agree to the financial terms by the end of the month. The two-week deadline was dismissed by Lesley Herberston, solicitor for half the families, as too rushed. "There's no way we can work to these time limits," she said. Compensation for the death of the four children has been paid out. Those parents received between £7,500 and £20,000. Interim awards have been made to the parents of the children injured. Full settlements are still under discussion. The authority's offer was in response to claims for compensation for the post-traumatic stress the parents suffered. Paul Balen, solicitor for one family, said the health authority appeared to have recognised at last that the parents were also victims. Under what has become known as the Hillsborough test — only those present at the football stadium when Liverpool fans were crushed to death could claim compensation for post-traumatic stress — the health authority believes most of the parents of Allitt's victims would not qualify for payments. "The parents were mainly out of the ward or at home when the attacks took place," a spokeswoman said yesterday. "We are trying to save the families months of litigation through the courts." Only if all 13 families accept the offer will the authority pay out. Allitt, aged 33, is in Rampton top security hospital serving 13 life sentences.

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THEY'RE
DANGEROUS



5th YEAR

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جمعة 18 مايو 1996

The battle for the Kremlin heats up

POWER STRUGGLE/Boris Yeltsin appears set to do anything to retain office as Russia's polls loom, writes David Hearst in Moscow

RUSSIA'S presidential election, the first round of which is due to take place four weeks tomorrow, will break new ground in the country's politics.

When Boris Yeltsin was elected president of the Russian Federation in 1991, he was not head of state, only one of the Soviet Union's republics. This poll, then, is the first for a Russian head of state. If it goes ahead.

Mr Yeltsin's ever-present bodyguard, Lieutenant-General Alexander Korzhakov, has already said that he wants it "postponed". Top advisers and leading businessmen have talked of civil war — or of Russia being divided once again into the Whites and the Reds — in the event of either a Communist victory or a close result.

As Mr Yeltsin's personal opinion rating levels out — the most optimistic score he has reached is only 26 per cent of the vote — the air is thick with rumours of deals, pacts and enforced resignations.

In short, Mr Yeltsin and his entourage of frightened and guilty men give the impression that they are prepared to do everything to stay in power.

There is no law on the handover of power from one democratically elected president to another. All that is said is that a president has 30 days to hand power to his successor.

It remains a moot point who keeps control of the nuclear button in this period. Where was the black box in October when Mr Yeltsin collapsed and was rushed to hos-

pital after his second heart attack? Did it pass, as it should have done, into the hands of the prime minister, Viktor Chernomyrdin, or did Mr Korzhakov ensure that it went where it was?

The presidential handover of power is a problem because power is concentrated in the hands of the presidency. The

presence of these people and thousands of corrupt officials in Mr Yeltsin's administration and in the regions that make the weight of the past almost too heavy for the young Russian state to handle.

There is now no legal way to postpone the election, whose first round will take place on June 16. The second round has to be held within 30 days, and that could only be put off by amending the constitution, which could not be done in time.

A state of emergency could be introduced by the Council of the Federation, parliament's upper house, peopled largely by Yeltsin appointees.

But to stop a revolt in Communist-dominated regions, they would have to prove that some concrete danger existed to the state.

Mr Zyuganov has warned against a "forced resolution" of the problem. Mr Yeltsin faces in securing a second term. He has written to the enforcement ministries and the prosecutor's office describing their responsibility in case of a violation of the law.

Mr Zyuganov even described what his view would be a "justifiable" coup, saying that Mr Yeltsin would have to have more than half of the population on his side, army support, and good economic conditions — none of which, he says, applies.

Russia therefore faces with a paradox. Mr Yeltsin is locked into holding the elections, but many find it inconceivable that he would be prepared to abide by their results if they went against him.

have declared themselves. General Alexander Korzhakov, Mr Yeltsin's security chief and right-hand man, told the Observer and Interfax that elections were unnecessary and harmful.

The "Group of 13" big bankers and industrialists, led by Boris Berezovsky, have issued a more ambiguous message, criticising calls for an unconstitutional postponement of elections but urging an unspecified "compromise" and warning: "Businessmen possess the necessary resources and will influence politicians who are too unprincipled and too reluctant to compromise."

It is easy to understand why Gen Korzhakov and the businessmen — Mr Berezovsky in particular — might fear the fall of their patron and a Communist win.

More alarming is the call for a postponement of the election by General Leonid Kuznetsov, commander of the crucial Moscow military district, who would appear to have had everything to gain from keeping his head down.

CIS leaders enter the fray

PRESIDENT Boris Yeltsin's re-election bid yesterday won enthusiastic backing from leaders of former Soviet republics worried that the communists might try to end their independence if they win.

Leaders of the 11 other members of the Commonwealth of Independent States said at a Moscow summit they backed Mr Yeltsin. — Reuters.

entire law enforcement structure of the Russian state is headed by Mr Yeltsin's personal appointees. With the possible exception of General Kulkov, the interior minister, they could not work under Gennady Zyuganov, the Communist leader, because of the secrets they carry of their own shady dealings during Mr Yeltsin's tenure. A handover of power would necessitate an amnesty for Mr Korzhakov for the storming of the White House in October 1993; for General Pavel Grachev, the defence minister, for launching the war against Che-



Flower power... A woman marches in Moscow among fellow communist hardliners in front of a poster of the former Soviet leader Josef Stalin. PHOTOGRAPH: SERGEI KAPPUKIN

MEDIA/The main television stations and newspapers back the president, James Meek in Moscow reports

CONTROL over the mass media has never been much of a problem for the rulers of post-Soviet countries. The problem has been using that control to win votes.

By backing Boris Yeltsin openly, as it is now, the Russian media risk losing in the rearmament of NTV's weekly current affairs programme (logi), has turned his hand to red-baiting. Mr Ilyushenko is in prison.

It has not been hard for Mr Yeltsin to sign up the media. Many newspapers and broad-

casters depend on the government for money.

Media moguls genuinely fear the Communists will take away their advertising revenue, and many journalists genuinely fear the Communists will restrict their freedom of expression still further.

The problem is that the history of elections in Russia and other former communist countries has shown that saturation coverage of the party of power, and shuns on rivals, are more capable of losing votes than winning them.

Alexei Pankin, of the European Media Institute, said studies of election campaigns in Russia, Ukraine, Belarus, Hungary, Macedonia and elsewhere had shown that bias was counterproductive.

"The amount of votes the ruling party gets decreases in inverse proportion to the amount of uncensored coverage of the state-controlled airwaves," he said.

At one point, while Mr Yeltsin was in hospital — apparently at death's door after his heart attack — his puppet was seen jauntily holding forth as guest of honour at a celebrity dinner. Talk was rife of a shutdown of NTV, the commercial channel which made Kukul.

Now the Yeltsin puppet seldom appears on Kukul without a sober presidential suit, a Russian flag and a suitably sober presidential script — almost more, rather than less, dignified than its human counterpart. It isn't funny any more.

The head of NTV, Igor Malashenko, has joined the presidential campaign team. Yevgeny Kiselyov, the fearless chairman of NTV's weekly current affairs programme (logi), has turned his hand to red-baiting. Mr Ilyushenko is in prison.

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All the president's men

DARK FORCES/ The fates of many nervous power brokers hang on a Yeltsin win

James Meek and David Hearst in Moscow

EARLY morning in Moscow, Sunday June 30 1996. The results of the first round of the presidential election held two weeks earlier are confirmed: the Communist leader, Gennady Zyuganov, leads Boris Yeltsin by a huge margin.

A weary president sits at his desk, weighing his options. The grudging support of the defeated candidates, Grigory Yavlinsky and Alexander Lebed, and the ambivalent endorsement of the ultra-nationalist Vladimir Zhirinovskiy, is not enough to guarantee him victory when he takes on Mr Zyuganov in the second round on July 7.

Mr Yeltsin thinks back to his words in Astrakhan in

May: "We have no right to allow a defeat." He reaches for the top secret folder on his desk marked "Contingency Plans".

Is there a contingency plan? Would those who have grown rich and powerful under Mr Yeltsin's patronage really allow him to go into a second round if he was not certain of victory? Are the dark forces so beloved of Russian conspiracy theorists capable of freeing elections without provoking a civil war?

The odd thing is that the dark forces in this case are not cloaked in conspiratorial silence. To some extent, they



Clout: Boris Berezovsky

have declared themselves. General Alexander Korzhakov, Mr Yeltsin's security chief and right-hand man, told the Observer and Interfax that elections were unnecessary and harmful.

The "Group of 13" big bankers and industrialists, led by Boris Berezovsky, have issued a more ambiguous message, criticising calls for an unconstitutional postponement of elections but urging an unspecified "compromise" and warning: "Businessmen possess the necessary resources and will influence politicians who are too unprincipled and too reluctant to compromise."

It is easy to understand why Gen Korzhakov and the businessmen — Mr Berezovsky in particular — might fear the fall of their patron and a Communist win.

More alarming is the call for a postponement of the election by General Leonid Kuznetsov, commander of the crucial Moscow military district, who would appear to have had everything to gain from keeping his head down.

protestations during his Volga trip that Gen Korzhakov has no business commenting on politics would have sounded more convincing if he had punished him.

There is a third source of nervous people, whose fates are intimately linked to Mr Yeltsin: thousands of bureaucrats in Moscow and the provinces whose posts depend directly on the president and his closest advisers. These people run virtually the entire structure of regional and local government.

The concept of "stability" for these men and women does imply not smooth elections but the continuation of the same men in power.

Sleight of hand at the ballot box

VOTE-RIGGING/ Electoral fraud has become a fact of life

David Hearst in Moscow

JOSEF STALIN said that it does not matter who votes, but who counts the votes. Falsification of the casting and counting of ballot papers has become a fact of Russian elections, the question is, how much

of it goes on and who benefits.

Alexander Sobianin, the former presidential adviser on elections, blew the whistle on his boss, claiming massive fraud in the referendum to support the new constitution and the parliamentary elections, which were both held in December 1993.

Mr Sobianin claims that in that election and last year's poll, about 20 per cent of ballot papers were false.

Firstly there is no secure

register of eligible voters. Mr Sobianin calculates that in 1993 9 million more people cast their vote than were registered voters. This extra registration is done in a number of ways.

In a country with no secure postal system, some votes for servicemen are taken early, allowing ballot boxes to be filled out of sight of Mr Sobianin's observers.

No check is made on the number of ballots printed. Any attempt to increase the number and the powers of independent observers

has been thwarted. This week a bill by Viktor Sheinis, a democratic deputy, to increase the number of observers was rejected by the upper house.

The size of the problem is daunting: there are 100,000 polling stations and more than 1 million people are involved in counting votes.

Mr Sheinis says: "The danger of falsification comes from those who are in control of the polling stations, and this can be people both from the party of power and opponents."

VICTORIA FALLS

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This winter we shall come since the first of our flight series from London Gatwick to Harare for the magnificent Victoria Falls. Here the weary traveller will find accommodations and sights that not only surpass that of other areas but probably offer a greater sense of "being" than anywhere else on earth.

Not surprisingly David Livingstone, when he stumbled across the Falls in 1855, remarked that "sights so lovely must have been gazed on by angels in their flight". The Victoria Falls is a marvellous place both to relax in a temperate climate and a base from which to explore with visits to the Falls themselves, the little town of Victoria Falls, a Zambezi cruise, local and regional game viewing and much besides.

The surrounding uncommercialised areas such as the Hwange Game reserve, the Kariba Dam, Bumi Hills are all worth visiting while the less energetic may just wish to soak up the relaxing atmosphere and beauty of Victoria Falls which is an experience in itself.

THE SPRAYVIEWHOTEL

The Sprayview Hotel is one of the few privately owned and run hotels in Zimbabwe. The hotel is located in its own grounds, a lovely tropical garden, containing a large swimming pool and poolside bar. There is a 24-hour reception service and the 43 twin bedrooms (with some doubles) are fully air-conditioned with en-suite facilities. It also boasts two bars (Rainforest bar and Caesar's

bar), a large, comfortable lounge and two dining areas - the Impala Restaurant and by the poolside. There are a number of outdoor activities available and there is a competitively priced curio shop.

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Challenge to community rule

ter cliff plunge

g 'victory'

op bone disease

96

Kashmir captives may be dead

Suzanne Goldenberg in New Delhi

KASHMIRI police were searching overturned earth near the town of Anantnag yesterday, after reports that four Western hostages, including two Britons, may have been killed.

A separatist militant from the Harkat-ul-Ansar group said under interrogation earlier this week that he believed the four men, seized nearly a year ago, had been killed.

Harkat-ul-Ansar is thought to be the parent organisation of al-Faran, the group which claimed responsibility for kidnapping the four tourists.

The Britons Paul Wells and Keith Mangan were kidnapped with an American and a German last July while trekking in a remote area of the Kashmir valley. Al-Faran has demanded the release of comrades held in an Indian jail in return for the four.

The captured militant reportedly told his interrogators that the hostages were killed last December 13. He is believed to have said that he did not witness the killings.

American diplomats said they suspected there was some incident involving the hostages last December, but the British High Commission said it was working on the premise that all four men were alive.

There have been several unconfirmed reports since their seizure that the hostages were dead. But the Indian authorities insisted the men were alive, offering reports of sightings by people living in the mountains where the kidnappers made their hideout.

There has been no concrete proof of the hostages' welfare since February, when the kidnappers released a photograph of the four men. The kidnappers broke off negotiations with the Indian authorities several months ago.

Indian officials said they were not entirely satisfied with the photograph, which the kidnappers said was taken in January. Earlier photographs had been substantiated by proof that the men were alive.

India's Crisis Management Team, which has been in charge of the hostage affair since July, is to meet today to review the latest evidence from the team conducting the ground search.



Fiancée's farewell... Adinda Saraswati leans over the coffin to place a ring on the finger of Navi Panekenan, murdered by their kidnappers at the Indonesian army mounted an operation to rescue them and four British captives in Irian Jaya this week.

Hostages weep for their friend

The four rescued Britons mixed relief and grief at the funeral of their murdered colleague, reports John Aglionby in Jakarta

THE four Britons and five other hostages rescued from rebels in the mountainous jungle province of Irian Jaya on Wednesday attended the funeral yesterday of one of the two Indonesians murdered by the kidnappers.

Unable to hold back tears, the four Cambridge University students, William Oates, Daniel Start, Anna McIvor and Annette van der Kolk, stood silently together at the graveside of Navi Panekenan, the joint leader of the Britons' expedition to the Lorentz na-

ture reserve in Indonesia's remotest province. They still looked dazed and weak. Medical checks revealed they had lost between 21lb and 35lb each, and are all suffering from insomnia and respiratory tract and skin infections. Annette van der Kolk has also experienced "mild depression reaction".

The funeral was particularly poignant for Anna McIvor, for she saw the attack on Panekenan and the other victim, Yoshias Lasamahu. The ceremony, organised by the armed forces, was held

at a Christian cemetery in east Jakarta and attended by several hundred people.

There was a huge military presence, including a special forces guard of honour and four soldiers in combat gear who paraded at the graveside and fired a rifle volley in tribute before the coffin was lowered into the ground.

At the end of the service a bugler played the Last Post before relatives and friends laid wreaths by a wooden cross. Earlier the nine hostages were formally handed over to

the civilian authorities, and then the four Britons and two Dutch to their respective ambassadors.

They declined to be interviewed but Daniel Start said: "It's great to be free but it's obviously marred by the tragic death of the two Indonesians."

Later William Oates appeared on television and thanked the army for rescuing them.

He said: "They brought me some fried rice and I just ate and ate and ate as I had eaten nothing but forest fruit for the last week." Anna McIvor said she was very grateful to the Indonesian army and was relieved to be free.

One of the Indonesian hostages, Panekenan's fiancée Adinda Saraswati, described how the two men were killed. "All the foreigners except Anna had been taken ahead," she said. "The kidnappers were behind us when they suddenly turned on Navi and Yoshias."

"I saw he started to hit Navi and I could only scream 'Why, why?' and 'Navi, Navi,'" she said.

Start said "It's not my fault. Praise the Lord." He then fell to the ground. "I kept screaming and the killer had his eye on me. Then he saw Marikus [Warip] another Indonesian hostage and he was beaten by many of them. I think they knew that the army was very

Heseltine's roadshow back in Beijing

Andrew Higgins in Beijing

WITH 280 business executives in tow, Michael Heseltine arrives in Beijing today to drum up trade for British firms, eager to capitalise on molly Sino-American squabbles to scope up lucrative deals.

The deputy prime minister's visit comes only two days after China and the United States announced tit-for-tat economic sanctions in a row over copyright piracy. The latest round of trans-Pacific fist-baking is unlikely to result in a full trade war but should help distract attention from Britain's quarrels with China over Hong Kong.

British merchants have long gumbled that Governor Chris Patten's attempts to expand democracy in the colony have hurt their commercial interests in China.

Despite Mr Heseltine's boasts of more than £1 billion worth of new business during a mission to Beijing last year, Britain continues to be the laggard in the China trade. It exports more to Taiwan than China, which buys far more from Germany, France and Italy than from Britain.

British exports to China fell by 2.4 per cent in 1995, though they did pick up towards the end of the year, an increase officials cite to counter suggestions that Mr Heseltine's 1995 China roadshow was fruitless. The big beneficiary, though, was China. Chinese exports to Britain - more than double its imports - rose 18 per cent.

"The Chinese government is using its new economic clout to divide and rule Western governments," said Robin

Munro, Hong Kong director of Human Rights Watch Asia.

"In their promises of trade, there is a threat, increasingly explicit, that countries which raise rights issues will be discriminated against."

Mr Heseltine, who will also visit Shanghai and Hong Kong, has stressed that economic ties are Britain's paramount concern.

China has sought to drive a wedge between Europe and the US, dangling multi-million-pound deals for countries willing to take a less robust stand on human rights.

"The Europeans watch the US take the lead on the World Trade Organisation, intellectual property and human rights, and say: 'We're right behind you,'" said the Beijing representative of a leading American corporation. "Then they come to China and say: 'Jeez, I can't believe what the Americans are doing to you.'"

Last month Beijing placed an order for 38 European Airbus planes, ending its previous preference for American Boeing. The switch, though probably motivated more by price than politics, was presented by Beijing as a rebuke to Washington.

Hong Kong journalists and publishers offered a record sum of HK\$4 million (£240,000) for the capture of the gangsters who sliced the arm off a colleague. The attack on Leung Tin-wai in his office on Wednesday was condemned as an attack on press freedom.

It came two days before the launch of Mr Leung's bold-style magazine. Surprise Weekly, which had published articles in dummy pre-launch editions thought to have angered the triad gangs.

Germans bow to Chinese pressure

Ian Traynor in Bonn

THE cultural arm of the German government has bowed to pressure from Beijing and cancelled a debate on human rights in China scheduled for next month in Munich.

What appears to be another triumph for trade policy towards China was denounced by Amnesty International as an act of "institutionalised cowardice".

The Goethe Institute, which promotes German language and culture abroad, has organised a three-week festival of Chinese culture for Munich.

In addition to featuring Chinese art, films, drama and exhibitions, the programme included discussions on human rights with sinologists, journalists, and a few Chinese dissidents.

The head of the Goethe Institute in Beijing was warned by the Chinese authorities that there would be unspecified "consequences" if the human rights debate with "enemies of the state" went ahead.

The threat was taken to mean that the Chinese would close down the institute in Beijing. After the Germans caved in, the Bonn foreign office applauded the cancellation.

Last November Chancellor Helmut Kohl visited China and drew criticism by playing down human rights protests and becoming the first Western leader since the 1989 Tiananmen Square massacre to visit a People's Army barracks.

The visit resulted in contracts of up to 2 billion marks (£900 million). The barracks visit was seen as a move to promote Sino-German arms deals.

The Munich city authorities have offered to host the human rights debate, but Beijing has continued to push for cancellation and it is doubtful if the meetings will take place.

Amnesty International said: "By bowing to Beijing's pressure and withdrawing from the human rights discussion, the institute is accepting censorship of Germany's political culture."

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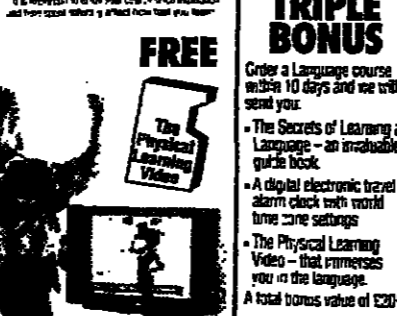


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World news in brief

Boy appears in court after death of baby

A BOY of 10 has appeared in a Colorado court in handcuffs and leg irons to face charges relating to the alleged beating to death of an 18-month-old girl, writes Christopher Reed in Los Angeles. The girl was beaten with a dog chain and suffered brain damage. Shoe prints were found on her head and hand. The case coincides with the release from hospital of a baby boy in California who may be blind and handicapped for life after a beating by a six-year-old boy. In the Colorado case, the boy's identity and the precise charges against him have not been disclosed. Under state law, no child under the age of 12 can be sentenced to more than two years probation and time in a foster home. The Californian boy could be detained until his early 20s. Colorado recently approved measures to lower from 14 to 12 the age at which youngsters can be charged as adults, and reduce from 12 to 10 the age at which children can be prosecuted as juvenile delinquents.

Iran rebel in security plea

IRAN's leading dissident, Abdul Karim Suroosh, has written an open letter to President Heshami Rafsanjani demanding protection and the right to express his views in public, writes Kathy Evans. The Tehran professor's move follows a riot last week at Tehran University when members of the radical group Jash-e Azadegan beat up students gathering for one of his talks. Lectures by Dr Suroosh have now been disrupted three times by the group as his reputation rapidly spreads through the world's Shiite community. In his letter, the British-educated professor says the government should provide him with security so that he can keep in touch with his students. Dr Suroosh has upset Iran's establishment by arguing that religion is a private rather than a state affair and challenging the divine credentials of Ayatollah Khamenei.

US interests threatened

The United States embassy in Riyadh has received an anonymous telephone call and bomb-related drawings threatening to retaliate against US interests in Saudi Arabia if four Saudis charged with a 1995 bomb attack on the US-run Saudi National Guard training centre are punished, says the state department, says on Thursday.

Privately, American sources said the threats may also be connected to the recent bombardment of southern Lebanon by America's ally Israel. - Reuter.

Violent deaths

A violent death occurred every 13 minutes last year in Colombia, the National Police Institute said on Friday. 39,375 people suffered violent deaths in 1995, mostly caused by guns. - Reuter.

Legal history

Australia swore in its first aboriginal judge at a packed Sydney courtroom yesterday in a ceremony hailed as a step towards racial harmony. Former lawyer Bob Bellair began studying law in the early 1970s in response to widespread police harassment of Aborigines. - Reuter.

Gun attack

Suspected Corsican separatist guerrillas machine-gunned a French gendarme barracks on the Mediterranean island yesterday but no one was hurt, police said. - Reuter.

Leftwing arrests

South Korean police said yesterday they have arrested 13 people, including four soldiers, in a crackdown on leftwing movements linked to North Korea. - AP.

Fine result

A Russian whose dog savaged to death an aggressive drunk when he lashed out at its owner will be fined just \$2.50 for improperly walking the animal because the law provides no other punishment. Itar-Tass news agency said yesterday. - Reuter.

Bad fortune

Rome's leftwing mayor said yesterday he wanted to ban gypsy fortune tellers from the city's streets, saying it was not fair for tourists to be cursed if they refused to have their palms read. There's nothing pictorial about these people," said Rutelli. They're making a small for-

Before the murder of Duncan, he giggles with apprehension: only after it is he plagued by the supreme pointlessness of king-killing without an heir. It is a strong, coherent reading.

Michael Billington

Outlook page 18

Prodi unveils Italy's first left-dominated cabinet

John Hooper in Rome

ROMANO PRODI, the economics professor who led the winning alliance in last month's general election, yesterday unveiled the first predominantly left-wing cabinet ever to take power in Italy. His 20 ministers include nine ex-Communists, three left-of-centre former Christian Democrats and a Green.

Two former prime ministers, Carlo Azeglio Ciampi, a former governor of the Bank of Italy who led the government from April 1993 to March 1994, returns as treasury minister. Mr Ciampi's budget-tightening in office made him unpopular with the unions, but endeared him to the markets. Communist Refoundation, whose votes are vital to the government's survival, tried to block his appointment and the news yesterday that it had failed helped the lira to climb again.

Lamberto Dini, who was prime minister in the outgoing government, becomes foreign minister. The wily Florentine emerged as clear winner from the cabinet horse-trading, with three portfolios for his Italian Renewal party. But the biggest block of cabinet seats go to the Democratic Party of the Left, which emerged five years ago from the wreckage of Italian Communism. Walter Veltroni will be deputy prime minister and Giorgio Napolitano, who probably did as much as anyone to transform the old Communist Party into a social democratic movement, becomes interior minister. The justice portfolio has been handed to an independent, Giovanni Maria Flick. A defence lawyer by profession, Mr Flick has accused anti-corruption prosecutors of infringing civil liberties. Another potentially contro-

versial name was that of the new environment minister, Edo Ronchi of the Greens. Until the late eighties, he sat in parliament for a group to the left of the Communists. Women did surprisingly poorly in the share-out. A progressive Catholic, Roy Blund got the health ministry. But both the other women chosen were made ministers without portfolio with obviously contrived responsibilities — for equal opportunities and "social solidarity". Whatever else, the new government could be the brainiest in Europe. Eight of its members, including Mr Prodi, are university teachers.

Martin Woolcott, Outlook, page 14

Security men wax fat in candle war

Julian Borger in Sofia on an unseemly scrap for power between rival priests

TWO grey-uniformed policemen sit slumped by the factory gates. They keep a furtive eye on two men lounging on the other side of the road wearing black leather jackets and dark glasses. Pleasant-tries are occasionally exchanged between long distrustful silences. It is a very Balkan summer scene — both sleepy and tense.

The focal point of the tension is the decrepit factory behind the rusting gates. Since the 1970s it has produced candles and other paraphernalia for Bulgaria's Orthodox Church, but in a deeply divided, post-communist society it has become the centre of a bitter dispute between two rival synods.

Significant amounts of money are at stake. But if the priests are to be believed, control of the factory also amounts to mastery over the very soul and destiny of the Bulgarian people. Consequently, the warring synods — under the command of two white-bearded patriarchs — have hired private security agencies to wage a battle of wits for the candle workshops on the outskirts of Sofia, known officially by their cumbersome communist-era title, Synod Production Complex.

Thick iron bars barricade the shop-floor, and at least one elderly cleric has torn his cassock while trying to vault the factory's barbed wire fence. The two men in shabby incognito are from the Sygma security agency, which works for Patriarch Maxim, aged 61. He was appointed by the Communist government in 1971; his rival, Patriarch Pimen, who is 11 years older, was nominated in 1992 by the anti-Communist coalition which took power when the old regime collapsed.

One cleric has torn his cassock trying to vault the factory's barbed wire fence

He hired Sygma and ordered them to seize the plant. Aware that something was afoot, Patriarch Pimen had hired his own muscle — a security agency called Black Belt — to guard the factory. But on March 16, round one of the struggle between Patriarch Maxim and Patriarch Pimen was fought. "The police came to our men and called them to the police station. When they were gone, Patriarch Maxim's men stormed in," said Anatoly Balachev, one of Patriarch Pimen's most senior priests. Triumphant, Patriarch Maxim drove to the factory

in full regalia, but Patriarch Pimen hit back in the courts, winning an order for his rival's eviction. "When the police came to evict him, we all turned away, so we wouldn't see his humiliation," said Petr Manolov, the factory caretaker. Patriarch Maxim made three more attempts to break in, culminating in a spectacular raid on April 2 when security guards and some of his top clerics climbed the fence. Mr Manolov points out a metal bar the priests used to barricade themselves in, to no avail. Patriarch Pimen's men went to a military prosecutor and had their rival clergymen thrown out by soldiers. Since then, policemen have kept a constant guard on the factory gates, watched by the men from Sygma. "It is all very fragile — very uncertain," said Father Balachev. "We could hear at any moment that they have seized it once again. We know that if police are negligent for five minutes, the other side will storm it."

Having witnessed a vanishing bishop, Mr Manolov feels nothing could now surprise him. "They'll work it out. You'll see," he said, looking the gates behind us. "We'll be here, as long as people are lighting candles in church."



New era... Social Democrat Peter Caruana is embraced by a supporter after winning the general election in Gibraltar

Gibraltar rejects government

Adela Gooch in Gibraltar

GIBRALTARIANS have opted for good relations with Spain, electing a new government to break the existing impasse and deliver economic prosperity while maintaining ties with Britain. The Social Democrat Peter Caruana was elected chief minister with 52.2 per cent of the vote in the general election, ending an eight-year rule by Joe Bossano, whose Labour party won 42.2 per cent. The Spanish government reacted cautiously to the result. The prime minister, José María Aznar, said the onus was now on Britain to take the next step. "We have made our interest in discussing the issue clear," he said. Privately, though, British and Spanish officials admitted that Mr Bossano's defeat

has removed a key obstacle to progress and that a swift improvement in relations could follow. Mr Caruana was sworn in as chief minister by the governor, Admiral Sir Hugo White. The Social Democrats will have eight seats in the 15-seat assembly, with the rest going to the Labour party. The National Party, which advocated city-state status for Gibraltar, won 4.6 per cent, while an independent who advocated closer ties with Spain drew just 0.16 per cent. Turnout was a record 88 per cent. Mr Caruana said he would not give way on sovereignty. "In that respect Gibraltar is in safe hands," he said, but he appeared to make a concession to Spain by announcing a clampdown on smuggling. "There won't be a single speedboat left. It is time Gibraltar stopped being a byword for corruption and con-

traband." Mr Caruana said. But he asked the Spanish for a return gesture, calling for the removal of the police checks which cause long delays for cars crossing the border. The chief minister, a 39-year-old lawyer educated at public school, wants to put constitutional issues to one side and improve economic co-operation, but Spain is unlikely to let him. "We offer the most generous of terms economically and in letting the people keep their peculiarities," a foreign ministry official said. "But we cannot forget the underlying question. Gibraltar must realise that it is not viable without Spain." Most voters appeared to signal acceptance of this by switching allegiance from Mr Bossano and overcoming reservations about the Social Democrats' business backers

and the possibility of appeasement of Spain. "We were going from bad to worse," a voter said. "Now there is a hope of change." But Mr Caruana also needs to improve relations with Britain, severely damaged by his predecessor's aggressive calls for decolonisation. "We want decolonisation too," he said. "But let's get other issues moving first." Calm returned to the colony yesterday after the police advised restaurants and shops to close early for fear of a backlash by smugglers, who are known as the "Winston Boys". They seized the opportunity to make several runs across the strait yesterday, before the clampdown announced by Mr Caruana, and helped by the low turnout of Spanish patrol boats.

Martin Kettle, page 15

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ury yacht. And I lead a marvellous independent life: I write in the morning, then spend the rest of the day fishing or boating or swimming or biking — whatever I fancy that day! If you feel any creative "spark" within you, you must do this: Determine if you do have the ability to become a writer. Because if you have the ability, you too can enjoy a marvellous life of prosperity and freedom. Remember, as a writer, all you need is a pen, paper and the desire to make money to change your lifestyle. Go to it! With best wishes for your future.

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Racing

Alec can prove too smart for rivals

Ron Cox takes the in-form Ray Cochrane to score third win in the Lockinge Stakes

RAY COCHRANE, flying high at the top of the jockeys' table with 50 winners following a double at Newmarket yesterday...

As stable jockey to Cuman, Cochrane won this prestigious mile event on the Newmarket track...

Dushyantor's Derby odds on the slide after injury scare

DUSHYANTOR'S Derby odds were lengthened to 7-1 from 5-1 by William Hill after the colt was reported to have a leg injury...

"On Thursday morning Dushyantor was found to be sore on what was thought to be a ligament...

Cecil has won the Derby three times - with Slip Acre, Reference Point and Commander in Chief - but was out of luck last year

There is definitely improvement in Charnwood Forest, who has reportedly thrived in Dubai over the winter...

Spectrum, who looked all over the winner of the Genay when moving smoothly up to the leaders...

More worrying are several costly reverses suffered by fancied Chapple-Hyam horses in the past week...

The promises to be a race to savour and Smart Alec (3.00) is just preferred to the other least exposed runner, Charnwood Forest...

Successful first time out last season, Posidonas did not travel well to Germany for his next race and took time to recover...

But he bounced back in the autumn with two more wins, including victory in the Gran Premio d'Italia...

After Quota failed to cope with Mezzogiorno in the Vodafone Group Trial Stakes at Newbury yesterday...

"She disappointed in the Nell Gwyn Stakes when we were hoping she'd prove good enough to run in the 1000 Guineas..."

"But we rested her up and were very light on her. She is still in the Oaks and we'll have to go slow..."



Boys keep swinging... Montgomerie on his way to a 63 yesterday PHOTOGRAPH: DAN SMITH

Golf

Danger lurks as Jimenez rides the wind

DAVID DAVIES at Thame. MIGUEL ANGEL Jimenez has been here before. He leads the Benson and Hedges International by two strokes after 36 holes...

But among the men close behind are three he would far rather not know about: Colin Montgomerie and Bernhard Langer...

Jimenez is on six under par, 138, but that will be of little comfort to him given his experience earlier this year in the Dubai Classic...

"I don't think he'll want to see me in his rear-view mirror," he said yesterday. "Then again, Montgomerie confessed that the last person he would want to see in his rear-view mirror was precisely the person who is there, Faldo..."

"Now," said Montgomerie. "I've got to try and fight him off myself. But I wouldn't be surprised to see him making a big move up the leaderboard in the third round..."

Faldo had five birdies in his round of 73 and at one under is very much in contention, as is anyone from three over downwards...

Diego Borrego, winner of the European Masters in April, jointly held the 17th over commentary enough on the weather so far.

Newbury card with form for the Jackpot races

Table with 2 columns: Race Name and Horses/Jockeys. Includes races like 2.00 Hebburn, 2.30 Pooleton, 3.00 Smart Alec, 3.30 Ogil.

Table with 2 columns: Race Name and Horses/Jockeys. Includes races like 4.00 Held by The Firm, 4.30 Countess, 5.00 Volare, 5.30 Palmston.

BBC-1

Table with 2 columns: Race Name and Horses/Jockeys. Includes races like 2.00 LONDON GOLD CUP, 2.30 QUANTILE ASTON PARK STAKES, 3.00 QUANTILE ASTON PARK STAKES.

BBC-2

Table with 2 columns: Race Name and Horses/Jockeys. Includes races like 2.00 NEWBURY HURDLE, 2.30 NEWBURY HURDLE, 3.00 NEWBURY HURDLE.

BBC-1

Table with 2 columns: Race Name and Horses/Jockeys. Includes races like 3.00 QUANTILE ASTON PARK STAKES, 3.30 QUANTILE ASTON PARK STAKES, 4.00 QUANTILE ASTON PARK STAKES.

BBC-2

Table with 2 columns: Race Name and Horses/Jockeys. Includes races like 3.00 QUANTILE ASTON PARK STAKES, 3.30 QUANTILE ASTON PARK STAKES, 4.00 QUANTILE ASTON PARK STAKES.

Thirk runners and riders

Table with 2 columns: Race Name and Horses/Jockeys. Includes races like 2.15 Sharp But Fair, 2.45 Double Action, 3.15 Sharper Chatter.

Results

Table with 2 columns: Race Name and Results. Includes races like 2.00 Hebburn, 2.30 Pooleton, 3.00 Smart Alec, 3.30 Ogil.

Southwell National Hunt programme

Table with 2 columns: Race Name and Horses/Jockeys. Includes races like 3.25 Park Drive, 3.55 Anoverton, 4.25 Park Drive, 4.55 Anoverton.

Table with 2 columns: Race Name and Horses/Jockeys. Includes races like 3.55 Butterfly Point, 4.25 Butterfly Point, 4.55 Butterfly Point.

THIRSK

Table with 2 columns: Race Name and Horses/Jockeys. Includes races like 2.00 THIRSK, 2.30 THIRSK, 3.00 THIRSK.

NEWBURY

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NEWMARKET

Table with 2 columns: Race Name and Horses/Jockeys. Includes races like 2.00 NEWMARKET, 2.30 NEWMARKET, 3.00 NEWMARKET.

4.00 NEWBURY HURDLE

Table with 2 columns: Race Name and Horses/Jockeys. Includes races like 4.00 NEWBURY HURDLE, 4.30 NEWBURY HURDLE, 5.00 NEWBURY HURDLE.

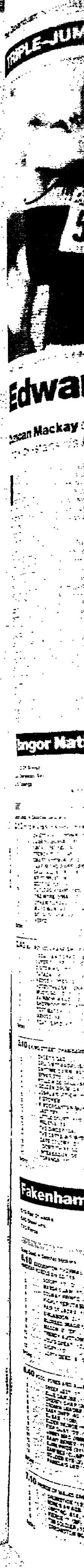
4.30 NEWBURY HURDLE

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4.55 NEWBURY HURDLE

Table with 2 columns: Race Name and Horses/Jockeys. Includes races like 4.55 NEWBURY HURDLE, 5.30 NEWBURY HURDLE, 6.00 NEWBURY HURDLE.

RACELINE 0930 168+ COMMEMORATIVE table with columns for Race Name, Horses, and Odds. Includes races like NEWBURY, THIRSK, BANGOR, SOUTHWELL, LINGFIELD, HAMILTON, FAKENHAM.



TRIPLE-JUMPER IN SEARCH OF HIS OLYMPIC DREAM



Leap year... Jonathan Edwards in triplicate: winning the world title at Gothenburg, left, then flying the flag, followed by the 1995 BBC Sports Personality of the Year award

Edwards steps on to the golden runway

Duncan Mackay on the world champion who kick-starts his Atlanta campaign today

MAGINE being so superior to your rivals that you stand on the verge of accomplishing something that no Briton has achieved for more than half a century and people keep assuming nothing can go wrong. Jonathan Edwards, a Newcastle United fan, cannot help but see parallels between his team's 12-point domination in the Premiership that vanished into second place and his position in triple jumping. "I'm petrified," Edwards admits of the moment this afternoon when he will stand in the new \$319 million (£145 million) stadium in Atlanta.

Amateur Athletic Federation grand-prix meeting will see a star-studded programme featuring Carl Lewis, Michael Johnson, Sergey Bubka and Noureddine Morceli. The contrast between Edwards' opening competition this summer and 12 months ago, when he set a United Kingdom record of 17.58 metres at Loughborough on a cold, wet day, could hardly be greater. "A year ago there was no pressure on me," he admits. "It was very nice in Florida," he says. "From a family point of view I don't think we have appreciated how much pressure we have been under until we actually got away from it all. We had a lot of time just being normal, going round the shops and nobody knowing who I am. That has been very, very enjoyable."

Edwards, who turned 30 eight days ago, has witnessed a well-lasted weekend he reduced his personal best for 100 metres from 10.7 seconds to 10.48 at a college invitational meeting. If that means he is faster than last year it opens up another range of possibilities beyond his present world record of 18.29m. He has already jumped 17m in training off an abbreviated 14-stride run-up. Mike Conley, Edwards' chief rival, will use today as an early chance to measure himself against the Englishman. In triple-jumping circles the American was always considered the man most likely to break through the 18-metre barrier until last summer, when Edwards amazed everyone, including himself. "I can't bring myself to get mad at Jonathan," Conley says. "I can only get mad at what he jumped." The barrier broken, Edwards expects others, especially Conley, to join him in the 18-metre club, just as other milers quickly matched Roger Bannister's sub-four-minute feat after his initial achievement. "Conley's still a great threat in my mind," Edwards says. "No one could get close to me last year but this year people will be jumping 18 metres and I have to live with that."

Bangor National Hunt card

Table of horse racing results for Bangor National Hunt card, including races like 2.10 SH OF ROUGH, 2.40 MY NEIGHBOUR, 3.10 TOPPAGE, 3.40 TONGUE, 4.10 ANTI-ROBBERY, 4.40 TONGUE, 5.10 KOWATKA, 6.10 KOWATKA, 7.10 KOWATKA, 8.10 KOWATKA, 9.10 KOWATKA, 10.10 KOWATKA, 11.10 KOWATKA, 12.10 KOWATKA.

Lingfield tonight

Table of horse racing results for Lingfield tonight, including races like 6.00 SOUTHERN BAY, 6.30 LINTON, 7.00 BARBER, 7.30 MISTY WOODLARK, 8.00 EAST STONE, 8.30 KERRAL, 9.00 KERRAL, 9.30 KERRAL, 10.00 KERRAL, 10.30 KERRAL, 11.00 KERRAL, 11.30 KERRAL, 12.00 KERRAL, 12.30 KERRAL.

Fakenham (N.H.) tonight

Table of horse racing results for Fakenham (N.H.) tonight, including races like 6.10 PAIR OF JACKS, 6.40 BEAR JAZZ, 7.10 FLETCHE, 7.40 SHORN DELIGHT, 8.10 BEAR JAZZ, 8.40 BEAR JAZZ, 9.10 BEAR JAZZ, 9.40 BEAR JAZZ, 10.10 BEAR JAZZ, 10.40 BEAR JAZZ, 11.10 BEAR JAZZ, 11.40 BEAR JAZZ, 12.10 BEAR JAZZ, 12.40 BEAR JAZZ.

Hamilton tonight

Table of horse racing results for Hamilton tonight, including races like 6.00 THEY'RE THE HEAVS, 6.30 HENRY THE HEAVS, 7.00 LADY ADELICIA, 7.30 LADY ADELICIA, 8.00 LADY ADELICIA, 8.30 LADY ADELICIA, 9.00 LADY ADELICIA, 9.30 LADY ADELICIA, 10.00 LADY ADELICIA, 10.30 LADY ADELICIA, 11.00 LADY ADELICIA, 11.30 LADY ADELICIA, 12.00 LADY ADELICIA, 12.30 LADY ADELICIA.

Motor Racing McLaren back on old road

Alan Henry reports from Monaco on a reviving reputation

WHEN Bruce McLaren cut the toes off his racing boots to make life more comfortable in the cockpit of his first Formula One car on his race debut here 30 years ago this weekend, he can hardly have foreseen that the team carrying his name would become the most successful in this glamorous and grueling race through the streets. McLaren won the Monaco Grand Prix nine times out of 10 between 1964 and 1968. Four of the victories were achieved by Alan Frost and five by Ayton Sun. McLaren's additional one in 1987 for Lotus gave him the drivers' record of six wins. After Senna left the team at the end of 1993, however, McLaren fortunes slumped. Yet when Mika Hakkinen and David Coulthard posted the first two fastest times in Thursday's free practice session here it seems that the team is at last reasserting itself as a potential winning force. Losing Senna was a body blow for McLaren matched only by the problems encountered in changing engine suppliers four times in as many seasons. In addition critics accused the team chief Ron Dennis of taking his eye off the ball and being distracted by other schemes, especially the race development of the McLaren GTR sports coupé and a still-born land speed record project. The team lost their Honda works deal at the end of 1992, paid for customer Ford V8s in 1993, then works Peugeot V10s in 1994, and finally changed to Mercedes-Benz V10s at the start of last season. Such constant technical disruption does nothing but harm in such a relentlessly competitive environment but they are now benefitting from renewed stability in their second year with the same engine supplier. "We struggled in the first three races of this year," admitted Norbert Haug, the Mercedes motorsport manager. "We found out there was an aerodynamic problem at the front of the car which was identified in an intensive test prior to the European Grand Prix last month. "At Nürburgring and Imola we were little more than half a second slower than the Williams, which means we are closing the gap. We are also timing on Thursday doesn't mean that much because we used new tyres but I think we are capable of running consistently in the top five." For tomorrow's race McLaren has developed a short-wheelbase car with aerodynamics specially tailored for tight circuits. "We have improved the car consistently in all areas," said Hakkinen, "and that has made a better package. We are also trying to improve the engine for more power and better drivability." McLaren, who had won the Monaco race at the wheel of a Cooper-Climax in 1962, never lived to see his triumph there. The popular New Zealander was killed at Goodwood in June 1970 while testing one of his 1800hp Can-Am sports cars. His team continued to be run by his former partners until 1980 when it passed to the control of Dennis and John Barnard. It says much for the current management that they have never contemplated changing the team's name. "McLaren has always projected a high quality image," said Dennis. "It is important that we always approach things properly and professionally, whether we are winning races or not. Those were also the standards which Bruce applied to his motor racing." They are obvious sentiments, perhaps, but Bruce McLaren would have approved.

Ethiopia accuses IAAF of racism

ETHIOPIA is furious at the refusal of Atlanta to revise the qualifying heats of the women's 10,000 and 5,000 metres so that Derartu Tulu, their 10,000m Olympic champion, can enter both events. Noting that the International Amateur Athletic Federation intervened for America's Michael Johnson to compete in the 200 and 400m, Ethiopia's team chief Getachew Hussein yesterday accused the IAAF of pure racism, favouritism and double standards.

Hamilton tonight

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Motor Racing McLaren back on old road

Table of horse racing results for Motor Racing McLaren back on old road, including races like 7.30 GUYVILLE, 8.00 GUYVILLE, 8.30 GUYVILLE, 9.00 GUYVILLE, 9.30 GUYVILLE, 10.00 GUYVILLE, 10.30 GUYVILLE, 11.00 GUYVILLE, 11.30 GUYVILLE, 12.00 GUYVILLE, 12.30 GUYVILLE.

Hamilton tonight

Table of horse racing results for Hamilton tonight, including races like 6.00 THEY'RE THE HEAVS, 6.30 HENRY THE HEAVS, 7.00 LADY ADELICIA, 7.30 LADY ADELICIA, 8.00 LADY ADELICIA, 8.30 LADY ADELICIA, 9.00 LADY ADELICIA, 9.30 LADY ADELICIA, 10.00 LADY ADELICIA, 10.30 LADY ADELICIA, 11.00 LADY ADELICIA, 11.30 LADY ADELICIA, 12.00 LADY ADELICIA, 12.30 LADY ADELICIA.

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Motor Racing McLaren back on old road

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Soccer

David Lacey looks at the team for today's friendly international against Hungary and assesses its implications for Euro 96

Venables sorts out his spares

RIDDLING Hungary's net this afternoon might not solve the conundrum of Terry Venables' final squad for the European Championship, which will be announced after the coming tour of China and Hong Kong, but it would reassure Wembley that England still remember what the goals are for.

Their scoring rate this season has been unimpressive, with three goalless draws in the six matches played so far. If England are saving their ammunition for Euro 96 Switzerland may well think they have wandered into another El Alamein on June 8, but the reality is that Venables' attack has spent most of the season creating chances without taking them.

Some of the near-misses

have been spectacular, with shots and headers hitting bar or posts. But until points are awarded for rebounds England will have to concentrate on hitting the target properly.

Hungary, whose defence is unlikely to prove as resilient as Croatia's, would appear the ideal opponents for Venables at this late stage. Having watched his team give a succession of vaguely satisfactory performances, he could do with a morale-boosting result. And, since losing to the Hungarians in the 1992 World Cup, England have defeated them eight times in nine matches with the other drawn.

For Venables the argument is no longer about tactics; it is about paring the squad down from 27 to 22 by sorting out the spare parts. The absence today of Paul Gascoigne, on

duty for Rangers in the Scottish Cup final, Alan Shearer, not quite ready for combat after a hernia operation, Steve Stone with a tweaked hamstring and Steve McManaman, who is being rested, gives others the chance to press their cases for inclusion.

Jason Wilcox is a case in point. Until he returned for Blackburn's last 10 games of the season, having been out for a year with damaged cruciate knee ligaments, he was not a serious prospect for Euro 96. But since resuming his duties on Rovers' left flank he has impressed the England coach.

So Wilcox becomes Venables' 23rd new cap, the only drawback being that Shearer, his Blackburn teammate and the most natural foil for his centres, is not playing. Yet

Les Ferdinand, scorer of England's sole goal this year, should be equally appreciative of the sort of service he can provide.

Shearer remains Venables' first choice in attack but he still has not scored in internationals for nearly two seasons and badly needs goals in an England shirt before the party return from the Far East. One or two for Ferdinand today would make him a more viable alternative.

Either way Wilcox must have a chance of making the European Championship squad Venables will announce on Wednesday week. After all, Dennis Wise could fall under a rickshaw.

"Jason gives Blackburn balance on the left side," said Venables yesterday. "and Alan Shearer says he is very valuable."

Wilcox said: "I think I'm just a hard-working player with a good left foot. It's nice of Alan to say that I create most of his goals. International football looks a completely different game to me. It seems a lot slower but I don't know if it really is. I'll find out tomorrow."

Maybe maybe not. Most newcomers to internationals find them more demanding mentally than playing for their clubs. The pace of international football lies in the quick movement of the ball. This is why Venables is counting so much on Teddy Sheringham's quickness of thought for the European Championship while not worrying too much about his lack of physical pace.

Even without Gascoigne and Shearer it is clear from today's team that Venables is

anchoring his strategy on Sheringham and the recently rehabilitated Paul Ince, whose ability to support the defence is crucial if the system of playing three at the back is going to work.

Stone's absence means that Darren Anderson, another recent convalescent, will return to the England side in his original position on the right wing rather than tucking in alongside Ince. This role now goes to Robert Lee, who will be among those travelling to Beijing next week uncertain of surviving the cut on their return.

Lee looked weary during Newcastle's flagging pursuit of Manchester United in the Premiership and, if David Platt manages to remain England's scoring potential today, it may help Venables make up his mind.



Wilcox... 23rd new cap

Leeds to be floated after deal

LEEDS UNITED will be floated on the stock market within a month in a £10 million deal with the Queens Park Rangers owner Richard Thompson.

Heads of agreement were signed this week that would lead to Leeds effectively being merged with a Thompson "shell" company, Caspian, which has a stock market listing though a very low value.

It is understood that Thompson has already secured, for £10 million, the 60 per cent shareholding of the former Leeds chairman Leslie Silver, who resigned last month. The shares concerned are controlled by proxy by the former managing director Bill Fotherby and the deal as a whole values Leeds at £16 million.

In a separate negotiation Thompson, who only last week was saying that he was no longer interested in Leeds, was also offered a 15 per cent share in Arsenal, which is currently being touted around the City, but turned it down.

Leeds directors were not commenting on reports of a deal to float the club yesterday. "I can neither confirm nor deny the story," said Peter Gilman, a major shareholder and director. "I have no formal knowledge of any deal."

Silver was similarly tight-lipped. "I have no comment to make on that," he said. "At the moment I have not received any offers. I resigned as a director and in time I will sell my shares but there is no offer on the table."

City sources, however, say that the deal is already as good as done. Also involved in the negotiations is a City dealmaker Chris Akers, who has recently bought a substantial stake in Caspian from Thompson at 12p per share.

The current value of those shares is 18p each and the expected value after flotation could be as high as 50p per share.

The deal will depend on Thompson selling Queens Park Rangers, where he feels there is only a limited potential for commercial development. There are five bidders in the ring for the Loftus Road club.

One is Chris Wright, the founder of Chrysalis, and another is thought to be a consortium who have been introduced to the club by Ernest Saunders, the former chairman of Guinness.

Best the eternal swinger notches his half-century

Britain's most gifted footballer will be 50 on Wednesday. Frank Keating reports

GEORGE BEST is 50 on Wednesday. When British football's most gifted superstar — and star-crossed rapscallion — walked away from the game at 27 with a bottle under one arm and a bevy of blondes on the other, he was told he would be lucky to reach 30.

When he was 38 and incarcerated in Pentonville jail after falling to appear in court on a drink-driving charge, they said he would not make 40.

As he clocks up his half-century — "honestly, I might not have a drink to celebrate the day if the mood's not upon me; then again, y'know, I might" — Best remains on the top-most plinth in the hall of fame.

For breathtaking range he is ahead of Matthews, Finney, Greaves, Charlton, Law, Gallacher, Baxter and Charles, and even though he danced in the green only fitfully on the world stage he probably runs Pele closer than Puskas, Di Stefano, Cruyff and Maradona.

If the deserved fame of this tubby middle-aged man, the glint of mischief still in his dark eyes if no longer in his ankles, bestrides the century, his time bridges the chasm of the two-part history of British football.

You know he was born to Ann, wife of a shipyard-worker Dick, in the Belfast Royal maternity hospital on May 22, 1946. When you look

up other dates it is hard not to whistle a "phew" — for on his 15th birthday he joined Manchester United, the very summer of 1961 that Jimmy Hill and Cliff Lloyd of the Professional Footballers' Association celebrated the abolition of the maximum wage.

Two birthdays later Best signed as a professional at Old Trafford and between then and playing his first League game in red against West Brom on September 14, 1963, Mr Justice Wilberforce had, in the High Court in July, pronounced to George Eastham an end to the "retain and transfer" system.

At a stroke the feudal fields were laid to waste — and a 17-year-old sprite was setting them on fire. English soccer was not remotely prepared. It could not cope. Finney was still playing for Preston, and working as a plumber in his summers. Matthews was still catching the bus to training at Stoke — but it was the Swinging Sixties, and the Ulster sprig found himself with unlimited money and a white Jaguar (with L-plates) and they called him the fifth Beatle.

Best ruminates, although with no hint of blame nor regret: "Nobody could protect me, advise me. They didn't know how to. It hadn't happened to a footballer before." Today even half-mediocre players are surrounded by agents, bankers and bounce-

ers; they no longer live in mock-Tudor mansions but in Grade I Tudor mansions.

"Now every footballer is protected. Of course it was a problem for me. All of a sudden I had to employ three full-time secretaries just to answer the 10,000 letters a week. At the time I thought it happened to every footballer."

"I wasn't protected because it hadn't happened before in English football. There was no precedent. I was being asked for more photo-calls in pop magazines than sports ones."

The whole crazy stir and blur are examined on television tomorrow night when, to raise a glass to the famous 50th, BBC 2 performs another of its occasional streaks of brilliance by giving over half the evening schedule to Best.

There is a frank, almost haunting, interview by Michael Parkinson (don't fret, it is taped, George turns up), and much more on games and goals and goals.

There is the inevitable competition to choose Best's best — but he was far, far more than a goalscorer, though 179 for United in 466 matches was phenomenal for an "out" player who never had the specialist strikers' roll-ins.

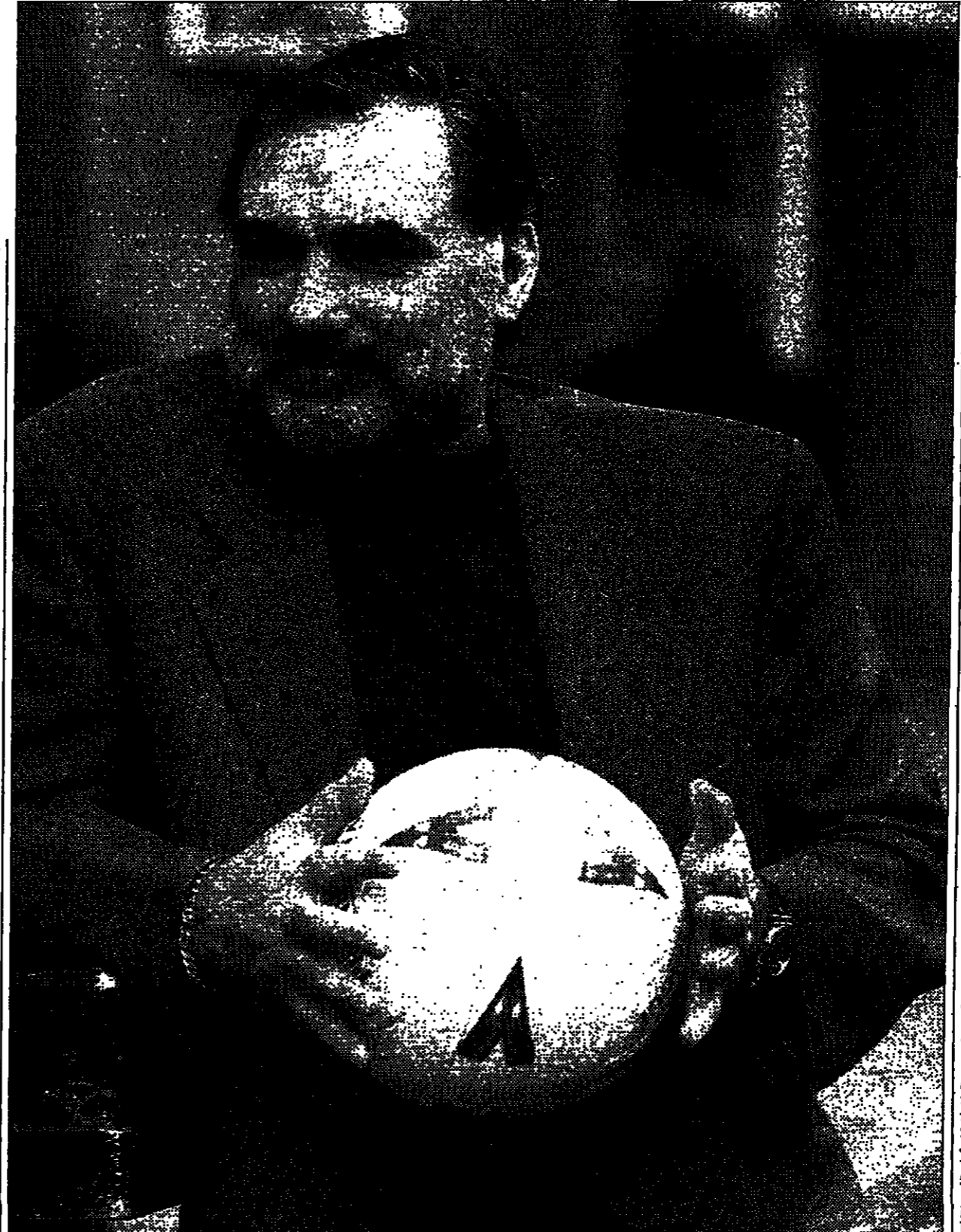
Early on, doubtless, will be the brace against Benfica in the Stadium of Light all of 30 springtime ago when the 19-year-old announced himself to the whole world. Surely they will end with the very last, for the San Jose Earthquakes in 1980 when he bested seven men inside the penalty area before slipping the ball home.

But were the cameras there for his last in England, in 1977 when he signed off for Fulham on a sick-pan pitch with an exquisite lob which kissed the crossbar and fell over the line with Oldham's poor goalie on his backside.

That aptly put his signature on the glory of his British career (after it he played 17 woebegone games for Edinburgh and five for Bournemouth). I suppose his last competitive game in England was for the Ford Open Prison XI after his transfer from Pentonville in the 1984-85 season. If he got a game, that is.

When he was in the Black Maria, the prison's team coach Malcolm Holman said: "Whether he's George Best or Pele, he won't get a look-in in this squad unless he's prepared to train."

Nowadays Best recalls, with no malice but a sigh: "When I was an apprentice at 15 I was in the stand when Real Madrid came to Old Trafford. At the kick-in the Spanish goalie rolled the ball out



Red devil... 'Nobody could protect me, they didn't know how. It hadn't happened to a footballer before' DAVID MANSSELL

What's Eating Jeffrey Archer?

Robert Chalmers on the writing pains of Lord Archer, tomorrow in the Observer

to Genoa, the veteran winger. He shot it back with his left foot — but he put a vicious back-spin on it so the well-struck ball took one bounce and at once skidded back to him.

"I was mesmerised. 'Wow, I must try that.' I spent the next months working non-stop on my left foot. In the end it became even better than my natural right. Bobby [Charlton] had done the same thing, chewing over football, then we went to the betting shop: a bag called Lucknow was a cert in the 2.30 at Newton Abbot."

He wrote out his ticket and stood in the queue. Somebody

recognised him. Autograph slips came in from the whole shop, the street and beyond. He signed each one but missed his place in the queue. No bet. Lucknow walked it at 15-1. The brief episode was enough to turn any sane man to drink.

Some of his one-time casino bets make your hair curl. He has walked away from the serious tables — "lose ten quid now and I'm a mess". He admits he was an alcoholic all right — " booze controlled me totally" — but now he drinks some days and others not at all.

His second wife, 25-year-old Alex — "she knows I've loved

2,000 women but only been in love this once" — is obviously a true brick as well as truly beautiful. "What a compliment that she's willing to share a life with me."

On tomorrow's film his American born-and-bred son Calum pledges truth. A handsome (although blond, through Best's first wife Angie) teenager, Calum "quite likes this soccer game of dad's". And meanwhile the old man picks at his beard and chuckles: "The bottom line is that I'm still enjoying life enormously."

George Best 50 and full of the joys? There is hope, thank him and heaven, for all of us.

Liverpool manager, travelled to France yesterday hoping to sign Marseille's Under-21 international left-back Jean Christophe Marquet, who is available for about £200,000, writes Ian Ross.

The two players who have filled the left-back berth for Liverpool over the past 12 months, Rob Jones and Steve Harkness, may be out of the game until Christmas with, respectively, back and leg injuries.

Liverpool, meanwhile, have told Barcelona that the England midfielder Steve McManaman is not for sale at any price.

Norwich City have given free transfers to their long-serving midfielders Ian Crook and Jeremy Gosz. Crook, 33, joined the club from Tottenham 10 years ago and made 378 appearances while Gosz, 31, played 238 times for the Canary Road side.

The manager Gary Megson said: "It is all for financial reasons."

Evans in market for Marquet

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Scottish Cup final: Heart of Midlothian v Rangers

Gough after silver service against peculiar odds

VICTORY for Rangers over Hearts in today's Scottish Cup final would not produce quite as historic a double as Manchester United achieved last Saturday but that will not diminish the Glasgow side's commitment to the cause.

Although Rangers have missed the double so often (13 times) it may yet become habit-forming, today's side contains enough players without a cup winners' medal to ensure that appropriate levels of motivation are maintained.

Just as significantly, Rangers have a clutch of players who never tire of trekking up to the podium. Richard

but it doesn't happen like that. We were also heavy favourites to beat United and we didn't."

Even the Rangers manager Walter Smith confesses to difficulties in maintaining his players' concentration during their three-week hiatus since clinching the championship.

"Yeah, I know what Walter means," said Gough. "But, come the week of the final, you become alive to its importance again. Archie Knox puts it best. He says you can start to smell the hot dogs. Mind you, Archie starts sniffing about the third round. I don't have his optimism. It's around about the semi-finals that I begin to get the aroma."

There is no shortage of gamblers ready to argue that

Hearts, at 5-1 to win in 90 minutes, represent exceptional value as the Tynecastle side have won their last two meetings with the champions, 3-0 at Ibrox Park and 2-0 in Edinburgh.

They also eliminated Rangers in the fourth round last season. In fact, they have won four of their past six confrontations. If Hearts have another edge it is that for a month the cup final has become the focal point of their entire season.

For Rangers it is a secondary item after the championship. As Gough said: "We have our cake, this is just a little icing." It is a confection, however, that Paul Gascoigne and Brian Laudrup, probably Rangers' two most influential

players, have yet to taste. Hearts, who use a similar system, have subdued the Glasgow side more successfully than any other Scottish opposition this season; today's midfield battle is likely to be the most interesting aspect of the entire match. They are unlikely to face Ally McCoist, who has little chance of recovering from a calf-muscle injury sustained in a testimonial at Clydebank eight days ago. Trevor Steven, still negotiating a new contract with the club, is definitely missing after damaging a knee in training.

Hearts, who last won the cup in 1985, have acquired a precious asset — the knack of defeating Rangers — but it is impossible to escape the no-

tion that if Gascoigne and Laudrup perform to their capabilities, the Ibrox Park showcase will be housing another trophy tonight.

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Leeds to be floated after deal

Italy gives Edberg a hero's farewell

Stephen Bierley in Rome... THE quarter-final result badly read 6-3, 6-3 in favour of Richard Krajicek...

Seles sets sights on Eastbourne to help her injury comeback

MONICA SELES, who has played in Britain since she won the Wimbledon final, has asked for a wild card for the Eastbourne Direct Line championship...



Steady Steffi... Graf shows total concentration in beating Nathalie Tauziat 6-1, 7-5 at the Women's German Open quarter-finals in Berlin yesterday

Backing the grey matter to win on green or red

Chris Curtin takes the trail from Lee-on-Solent to Cardiff and finds the development of clay-court skills in full swing

IT WOULD be stretching a point to say that British tennis is on the verge of a clay-court revolution. But it is certainly well into a building boom in favour of a surface once happily left to Johnny Foregger...

years ago there was one. Hence the new four-leg satellite circuit; hence Britain's first invitation to host the European junior championships this summer...

Results

Rugby League

AUSTRALIAN PREMIERSHIP: Western Suburbs 16, Penrith 6.

Golf

GENSON AND HEDGES INTERNATIONAL OPEN (Thames): Seamus O'Sullivan (Ire) 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100.

Baseball

AMERICAN LEAGUE: Milwaukee 5, Chicago 2.

Basketball

NBA Western Conference: Phoenix 91, Dallas 87.

Cricket

RAIN MOOD: Hampshire 282-6, Warwickshire 282-6.

Hockey

WORLD LEAGUE: Canada 2, USA 1.

Ice Hockey

NHL: Detroit 4, St Louis 1.

Swedish

AMERICAN INTERNATIONAL: (Czech) 1, (Soviet) 0.

Tennis

ATP ITALIAN OPEN (Rome): Courier-Beskin 4, Panatta 1.

Basketball

Britain ready to unite for European Championships

Robert Pryce... THE English men's team, struggling at the bottom of their European Championship...

Real Tennis

LAURENT-PIERRE MASTERS (Quebec): (Austria) 1, (Canada) 0.

Evening Racing

NEWTON ABBOT: 1.00 (11.00) 1.00, 2.00 (11.00) 1.00.

Baseball

AMERICAN LEAGUE: Milwaukee 5, Chicago 2.

Basketball

NBA Western Conference: Phoenix 91, Dallas 87.

Cricket

RAIN MOOD: Hampshire 282-6, Warwickshire 282-6.

Hockey

WORLD LEAGUE: Canada 2, USA 1.

Ice Hockey

NHL: Detroit 4, St Louis 1.

Swedish

AMERICAN INTERNATIONAL: (Czech) 1, (Soviet) 0.

Tennis

ATP ITALIAN OPEN (Rome): Courier-Beskin 4, Panatta 1.

Rugby League

Paul Fitzpatrick on a lingering dispute

Peace snub by Lindsay

KEN ARTHURSON, chairman of the Australian Rugby League, said yesterday that the way is clear for international relations between the game's Australian and British governing bodies to be restored...

Leeds deny exchange deal

LEEDS denied yesterday that they plan to exchange Graham Holtroyd and Mick Shaw for Martin Moana and Paul Rowley of Halifax...

THE Old Cooperage advertisement featuring a barrel and the text 'Old Bill still makes the traditional hand crafted barrels. We've never used them but he's doing a roaring trade down at the local garden centre.'

Fuggles advertisement featuring a bottle of beer and the text 'Fuggles, a brand NEW old fashioned Ale'.

Advertisement for American Football featuring a football player and the text 'American Football'.

Juliar odd advertisement for a book or publication.

SportsGuardian

Barcelona guarantee Robson £2m pay-out

John Duncan on the 63-year-old who has deposed Cruyff

BOBBY ROBSON became the highest paid British manager in world football yesterday when he replaced Johan Cruyff as coach of Barcelona.

Details of Robson's contract emerged last night after the FC Porto manager signed a two-year contract worth £100,000 per month — double the £50,000 per month deal that Alex Ferguson has just agreed with Manchester United.

The move from FC Porto completed a remarkable transformation in fortunes for the 63-year-old Robson, who was heavily criticised during his eight years as England manager — he was once accused of being a clown — and who last year won his battle against facial cancer after a malignant tumour was discovered by chance in his cheek.

He has since played a full part in Porto's defence of their league title and established himself as one of Europe's most successful managers.

However, Robson was only Barcelona's second choice after Ajax refused permission to approach their coach Louis Van Gaal. The speculation in Spain is that Robson may be asked to keep the seat warm for 12 months before moving to a job as technical director at the Nou Camp to make way for the Dutchman.

"The Barcelona job is mine," Robson said. "I didn't want this to come out but now it has I have to say it is correct. I am signing a two-

year contract with them. That is all I want, then I will bow out of football. But what a way for me to go, as manager of one of the really great clubs."

Robson has been offered the Barcelona job twice before, the first time when he was at Ipswich. He turned them down then but recommended Terry Venables, who won the title for them in his first season. He also turned down a move to Arsenal when the Porto president, with whom he has a good relationship, asked him to stay.

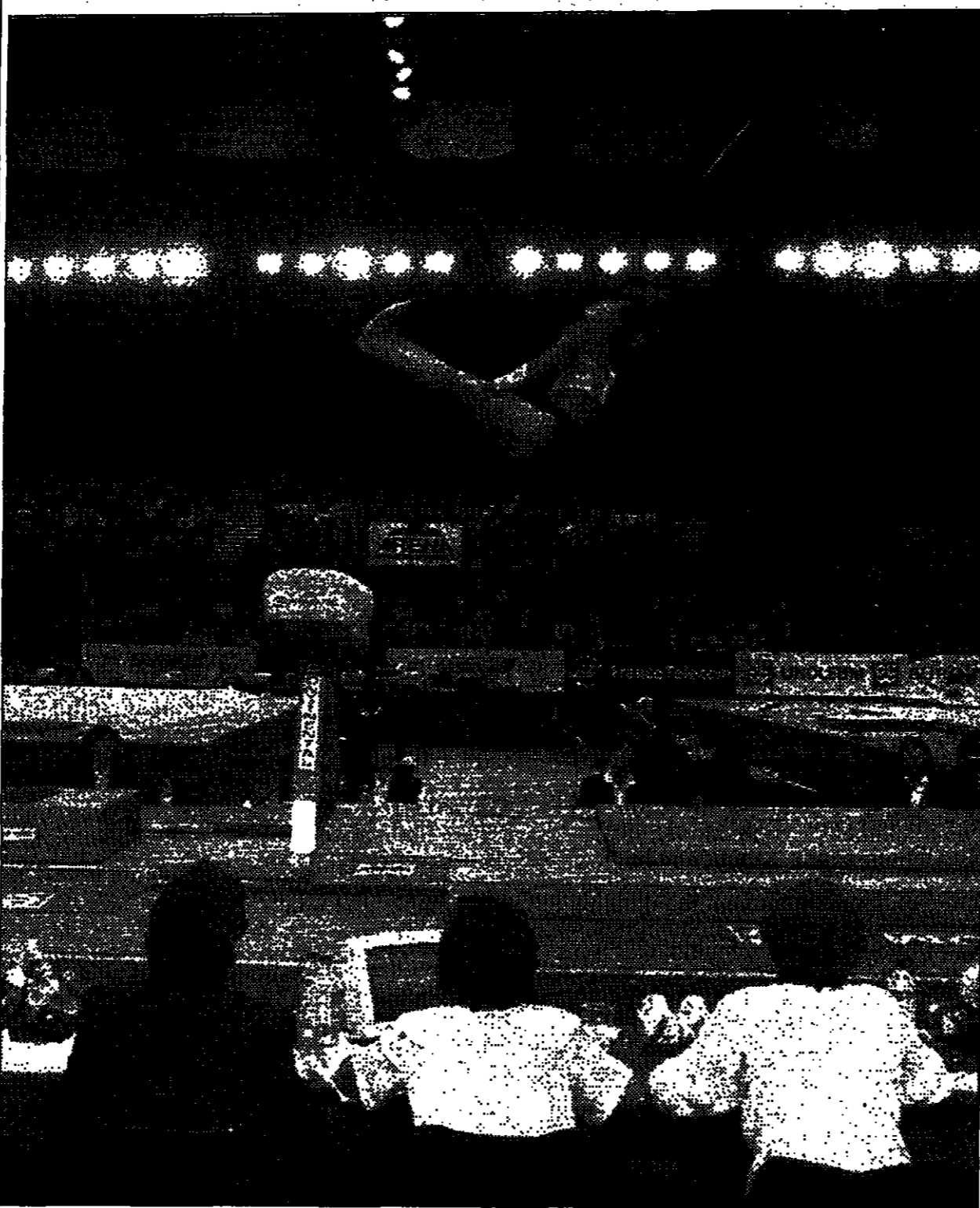
As is always the case in football management, one man's opportunity is another man's P45 and Barcelona decided to dispense with Cruyff despite eight successful years in charge. The Dutchman won four consecutive league titles from 1990 to 1994 and the club's first European Cup in 1992. However, he has paid the price for a lean two years in which the club have failed to win anything.

However, he has never managed to improve an acrimonious relationship with the Barcelona board and especially its president Jose Luis Nunez.

Robson is well versed in the niceties of managing European clubs. He first ventured abroad in 1990, taking up a two-year contract with PSV Eindhoven after overseeing England's World Cup campaign. Although he took the Dutch side to two titles they failed to renew his contract because of his lack of European success. They have not won the title since.

From there he took charge at Sporting Lisbon but was sacked in mid-season with the side at the top of the table after Sporting lost a Uefa Cup tie. He was immediately snapped up by Porto.

POWER AND GRACE IN BIRMINGHAM



Vaulting ambition... Sibel Cetezen of Turkey takes to the air during the women's European Gymnastics Championships at the National Exhibition Centre yesterday

The lesson of hype and let-down



David Lacey

NOBODY thought much of the FA Cup final. The condemnation was universal but one reporter put it more trenchantly than most. "By a great effort of memory," he wrote, "I can only think of one other FA Cup final that had a similarly depressing effect on the crowd. That was a perfect nightmare, and after careful consideration I cannot find any better description of last Saturday's match."

"The men on either side were thinking too much of their opponents' strength rather than their own power to conquer, and such an attitude is ever detrimental to the best conception of football. This final sent the majority of people away with a conviction that they had been badly used and badly entertained, too."

The prose style probably gives the game away. For this was a comment not on the 1996 Cup final between Manchester United and Liverpool but on the 1922 final between Huddersfield Town and Preston North End, won 1-0 by Huddersfield with a penalty.

At least the writer thought the 1904 final between Manchester City and Bolton Wanderers had been just as bad. For some the great let-down of a week ago was the worst Cup final ever, which only goes to show how unmemorable the four hours of mediocrity involving Arsenal and Sheffield Wednesday in 1996 must have been.

The greater the hype the bigger the let-down. We never learn. Football is not theatre, despite its rediscovery by the dress circle. The players may have achieved pop star status but cannot be programmed to provide instant visual appeal.

Yet no sooner has the Cup been put away for another season than similar errors of expectation are being made on behalf of the 1996 European

Championship. This, we are told, is going to be a football tournament like no other, not merely bigger than any of its predecessors, which is undoubtedly true, but better, which one must beg leave to doubt.

In fact by converting the European Championship, which has always fitted awkwardly between World Cups, into a 16-team, 31-match tournament, Uefa has risked spoiling the essential appeal of the thing, which was its relative brevity leading to a heightened dramatic impact.

"Small is beautiful," declared Lemart Johansson, the large Swedish president of Uefa, when efforts to double the number of finalists were being resisted. He soon changed his mind.

So Terry Venables and the other coaches of next month's finalists are having to choose their squads on the basis of excellence and with an eye to durability over three weeks of intensive activity. If this produces a memorable final at Wembley on June 30 it will be more by accident than design. There will surely never be a better climax to a European Championship than 1976, the last to be settled over five days because it involved only semi-finals and final, plus a third place play-off.

Holland quickly grumbled their way out but Yugoslavia, the hosts, West Germany and Czechoslovakia, the eventual winners, produced wonderful football thereafter. None of these countries now exists in the form of 30 years ago. A pity the tournament has gone the same way.

OF COURSE the presence of England at Wembley on June 30 would guarantee the nation's attention and an English victory would not have too many complaining about the spectacle. But the final should neither be exalted in advance simply because it is a final nor condemned out of hand if the players fail to follow an unreal script.

Part of the modern problem is that the starkest criticism of the often comes from those who have watched television's two-dimensional keyhole version of events. Japan is promising widescreen 3D TV for the 2002 World Cup. At least that would have brought out the full Darwinian brilliance of John Barnes's boots at Wembley last Saturday.

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England call up Rover Wilcox

JASON WILCOX was a surprise selection in the England team for today's friendly against Hungary. The Blackburn Rovers left-winger wins his first cap after missing much of the season with damaged knee ligaments. With Alan

Shearer rested, Les Ferdinand, scorer of England's sole goal this year, partners Teddy Sheringham up front. Gary Neville earns his ninth cap despite not being a first choice for Manchester United. *David Lacey, page 10*



I am now in a position to promote dog bone alla Toscana, which I tried out in Italy last autumn after a huntsman foolishly shot his own hound. I roasted a haunch in the oven with olive oil, garlic and rosemary. James Hamilton-Paterson

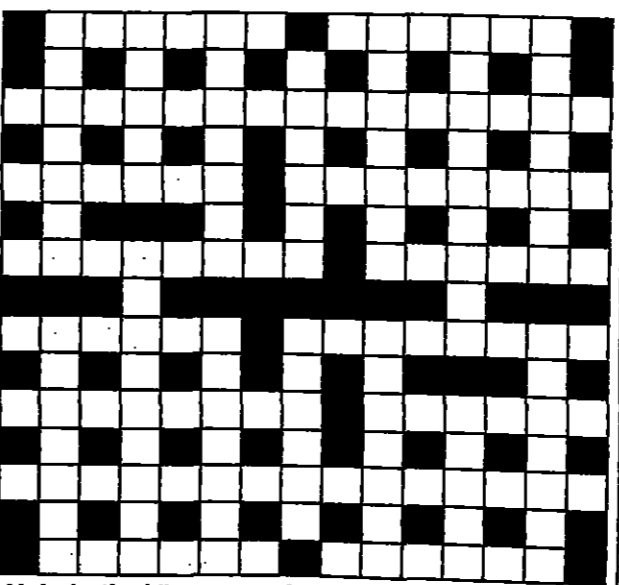
Outlook page 19

Guardian COLLINS Crossword 20,656

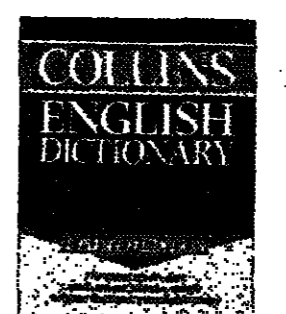
A copy of the Collins English Dictionary will be sent to the first five correct entries drawn. Entries to Guardian Crossword No 20,656, P.O. Box 315, Mitcham, Surrey, CR4 2AX, by first post on Friday. Solution and winners in the Guardian on Monday May 27.

Name _____
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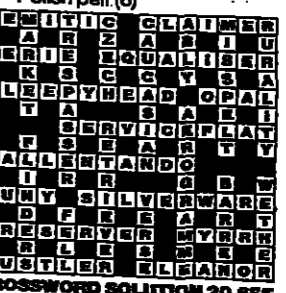
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- Alphabetical jigsaw set by Araucaria
- Method: Solve the clues and fit the solutions into the diagram jigsaw-wise, wherever they will go
- A F — for Fraser — was her brother's wife (7)
 - B Lout made out to be deprived of life (8)
 - C Out of court is fruit, as lemon's classed (7)
 - D See H
 - E Put in chair, wild hornet goes in last (9)
 - F Flu developed through this Roman lass (8)
 - G Nerve attached to quantity of gas (8)
 - H Stone the stubborn brute for little growth (7)
 - I Seat for squat round model egg that quoth... (5,6)
 - J "Rough in temper, skill to which cloud thickens" (15)
 - K Either litigant or sleigh-bells (Dickens) (8,6)
 - L King first with king's evil's silver grip (6)
 - M Place one can get quiet and have a kip (3,2)
 - N Anthem word's translated, and is too (5)
 - O Nature's other choice, to form run true (7)



- O Person looked at with unfocused view (3-4)
- P Broken off by tripper, wear! U (7)
- Q This will make one score a century (15)
- R Group of atoms: tinkering's not for me (7)
- S Boy that's eating grass? Exactly so (4,2)
- T Less chaotic princess in a row (6)
- U Raised time off: force open or collapse (7)
- V Girl I went with proved OK, perhaps (9)
- W Anti-friction plate gives owner air (4-4)
- X New dry size is photographed with care (1-5)
- Y Soft and weak in leg — do it yourself (8)
- Z Final group's (say) wife with Polish pelf (6)



CROSSWORD SOLUTION 20,656



Handwritten Arabic text at the bottom of the page.

The Guardian Outlook

BSE is our latest excuse for falling out with the French. The dislike defines who we are, says NICHOLAS FRASER

Mad cows and English phlegm



INTERVIEWED on the Today programme, Sir Charles Powell, Mrs Thatcher's foreign policy guru, complained this week that the French still behaved as if they were our adversaries. "They have old memories," he moaned. "We have been competing so long that we haven't lost the habit."

Above my desk hang two 18th-century prints by William Hogarth, and I admire them frequently these days. One of them depicts a skinny, priest-ridden Frenchman at Calais eating frogs' legs and garlic spit-roasted on a sword under an inn sign advertising Meagre Soup at the King's Clog.

There are no clogs or priests in the other print, which depicts free (and somewhat overweight) Englishmen feasting on "Old England's Beef and Beer" while preparing to give the Frenchies another thrashing.

find ourselves — through a haze of Peter Mayle-induced romanticism — being sold vinegar instead of plonk at the local supermarket.

"Have you noticed it's just those things the English pride themselves on most which are better here?" asks a character in Nancy Mitford's novel Don't Tell Alfred. "Trains: more punctual; tweeds: more pretty; football: the French always win. Doctors: can't be compared, nobody ever dies here until they're a hundred..."

This is the current British view, among the liberal classes at least. But our sense of envious unease as we emerge by Eurostar from the wastes around Ashford to the sleek plains of northern France is shadowed by centuries of presumed superiority. We know in every thump of our best-solden patriotic hearts that the French can't be better than we are.

Relations were soured, however, by hostility to the French Revolution, regarded by liberals like Byron, Paine, Fox and Shelley, as a breach of established international order. The ultimate defeat of Napoleon, and the decline of France, set the pattern for a spirit of distant, patronising correctness, punctuated by tut-tutting at the persistent political over-excitability of the French.

We frequented their brothels, drank their wine and summered at their seaside; they sent us such eminent exiles as Zola, Hugo and Napoleon III. Meanwhile our own by now

ingrained sense of superiority gave us much wholly deserved satisfaction. "Have you got a copy of the French Constitution?" a borrower asks in an 1870s Punch cartoon. "I'm sorry sir, but we don't stock periodicals." While the British were preoccupied with the real estate of Empire, a readjustment of the idea of France took place. There was no attempt to emulate the grand aristocratic high capitalist laissez-faire traditions of their island neighbour. Instead the French elite worked through the Jacobin tradition of the state as moderniser and agent of meritocratic elitism.

It was de Gaulle, too, who delivered the greatest blow to Britain in modern times, taking revenge for past humiliations by blackballing Harold Macmillan's 1963 application for European Community membership. "Britain is insular," he declared. "Her nature, her structure, and her economic position differs from those of Continentals." At cabinet meetings the General entertained his ministers with a spirited rendering of Edith Piaf's *An Revoir, Milleod*.

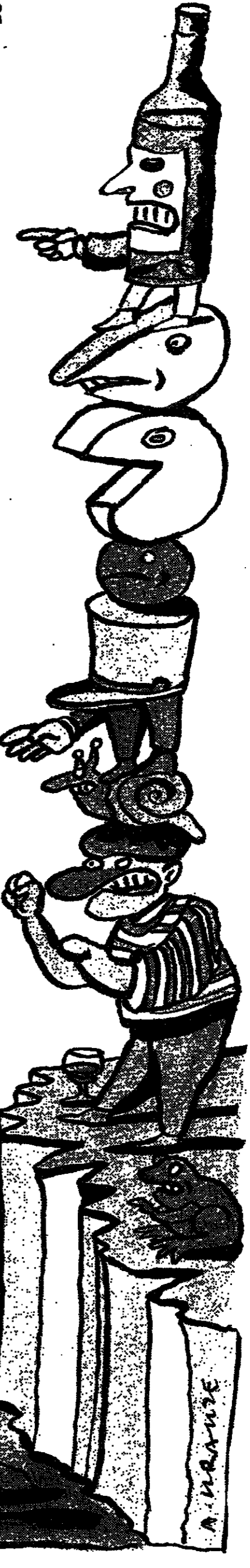
For the British, there remains something faintly underhand about the French cult of intelligence, combined as it is with the pursuit of national self-interest. This resentment comes out in the general mistrust of Gaullist unscrupulousness ritually expressed by Charles Moore's *Daily Telegraph*.

These British patriots would rather see the French elite as "typical" collaborationists whose real lessons come from the debacle of 1940, than admit that there is something sensible about the release of so much administrative talent.

Among Labour Europhiles of the 1970s there was a brief inter-

take on the unions, and "thank their power," as Thatcher did. What British Tories regard as surrender, therefore, French politicians like the current prime minister, Alain Juppe, consider as the only realistic way of dealing with the French tradition of manning barricades.

Only with respect to ethnic minorities does the French state act with exemplary harshness, gunning down suspects without much public comment. French coverage of the British model of race relations, presumed to consist of sloppy laissez-faire, is unfailingly censorious.



- *Of all the Nations of Europe, the English and French should love one another best* — Guillaume Herbert, 1642
- *England is our model — and our rival, our light — and our enemy* — J.P.L. de Luchet, 1790
- *How much evil (the French and English) have inflicted on each other! How much good we might have done* — Napoleon, 1816
- *The days of hostility between the two countries are happily at an end* — Edward VII, 1903

Quotes taken from *Best of Enemies* by Robert Gibson

Forty-odd years ago, when European union was first envisaged, cultural uniformity was considered highly desirable. But we now live in an age of what Ernest Gellner called "secondary cultural pluralism", where smallish, pleasant or irritating differences — football team shirts, minority languages, and rarefied means of preparing native freshwater fish — are exaggerated in order to shore up the vanishing of nationhood.

In their different ways the French and English, just as they constituted the earliest nation states, are now the prime representatives of the new pluralism. Both countries have in common an eccentric as well as a bloodstained past. They share an interest in continuing to recycle the oldest quarrels rather than consigning them to oblivion. Should we be upset by this phenomenon? Should we not instead enjoy it?

Nicholas Fraser is writing a book on end-of-century Europe.

GOOD taste speaks volumes

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Sell now, repent later

EVEN THE staunchest supporters of privatisation would admit this has not been a good week for the utilities. Indeed, it may have been so bad that it will sour the image of privatisation for a long time to come. First, British Gas saw its shares plunge after the regulator sought the removal of monopoly profits by ordering cuts of up to 28 per cent in the prices charged by its transportation arm. This is not what Sid expected when he bought the shares at a knock-down price. Nor is it what the Government thought would happen when it tried to turn the nation into an army of popular capitalists fanned up to vote Conservative. Second, an independent report commissioned by Yorkshire Water found that last summer's fiasco over surging profits and evaporating water supplies was "a crisis waiting to happen". The corporation was found to be losing nearly a third of its supplies through leakages in its pipes when hundreds of thousands of customers faced restrictions. Privatisation was supposed to do better than that. Third, National Power, one of the three big generating compa-

nies, found itself making so much (monopoly) profit that it decided to give an astonishing £1.6 billion of surplus cash back to shareholders in the biggest dividend distribution in corporate history. If Gordon Brown's proposed windfall tax on the utilities needed any justification then this week provided it. Goodness knows what a visitor from Mars would make of all this. Economic growth is almost stagnant; manufacturing investment fell in the last quarter yet an electricity company decides that the best use of its money is to shovel it back to shareholders. Even the rightwing Adam Smith Institute, in an otherwise fawning report on electricity privatisation, today has to admit that "in retrospect it is clear that the balance of benefits from the electricity reforms so far may have tilted too much in favour of the shareholders and management... and too little in favour of the consumer". Adam Smith himself — no lover of monopoly profits — would turn in his grave at the thought of such excess.

Are there any lessons to be learned from a decade and a half of privatisation? There are, but hardly any of them have been learned by this government. The first is that, for some of the basic utilities, there is no need to privatise at all if you apply the Government's own successful pricing formula (the retail price index minus *x* per cent) to monopoly companies. This provides a built-in pressure for efficiency which is far better than the monopolistic (or oligopolistic) situations into which privatised utilities are thrust. The electricity industry may argue that their success goes deeper than

that because they achieved huge reductions in manpower beyond what was required by the formula and that they deserve the rewards. True — except that those nationalised corporations which weren't privatised (or which were sold late on in the process) actually achieved even bigger reductions in manpower and higher rises in productivity than those privatised. This suggests that deeper factors than privatisation were at work improving efficiency — like the worldwide swing to "downsizing" and a hostile government opposed to subsidies.

The second lesson — which the Government wantonly ignored at the time, even though it was regularly warned — is that if utilities have to be privatised they should be subjected to as much competition as possible. They are only just getting around to this now. The third lesson — still totally ignored — is that in order to maximise the benefits to the taxpayer, the process of privatisation should take place in stages.

If the Government had phased the sale of electricity over more years it would have got a higher return and avoided accusations of dumping assets on the cheap. The fire-sale of the whole of Railtrack, for totally political reasons in advance of the general election, shows what little has been learned. If this government won't learn from the mistakes of the past then there isn't much hope for other countries around the world, some of whom are slavishly following the British privatisation model as if it were some kind of magic wand conjuring up instant economic success. It never was then and it certainly isn't now.

Blameless Mr Howard

EIGHTEEN months ago, the Lord Chief Justice complained to the British Academy of Forensic Science of a government silence on forensic service reform which was "becoming deadening". Now, after yet another forensic scandal, there is much noise but still little progress. Indeed, all that Michael Howard's statement to the Commons this week achieved was more confusion. Initially, even though begrudgingly, he conceded the serious error of the forensic service under his control. He could hardly do otherwise after his scientists had told him that the laboratory conducting the tests for traces of explosives in terrorist cases since 1989 had been using a contaminated machine. This required the Government to bring in an independent forensic expert this week to examine 12 terrorist cases to see if there could have been a wrongful conviction. Yet by the time he faced MPs, the Home Secretary was already backtracking on his earlier written statement. The issue is important. Michael Howard has always claimed he would take responsibility for policy mistakes, but not operational errors. As Judge Tummim observed, this was a bogus definition because of the huge overlap between the two concepts, but it has proved an indispensable shield protecting Michael Howard from responsibility for a succession of serious failures. Even when Conservative commen-

tators complained about "the very political Home Secretary who is rather bad at politics" all he needed to do was lift his shield — as when he sacked the Frisior Director rather than accept responsibility for the security failures. But this week's forensic failure is about policy, not about operation.

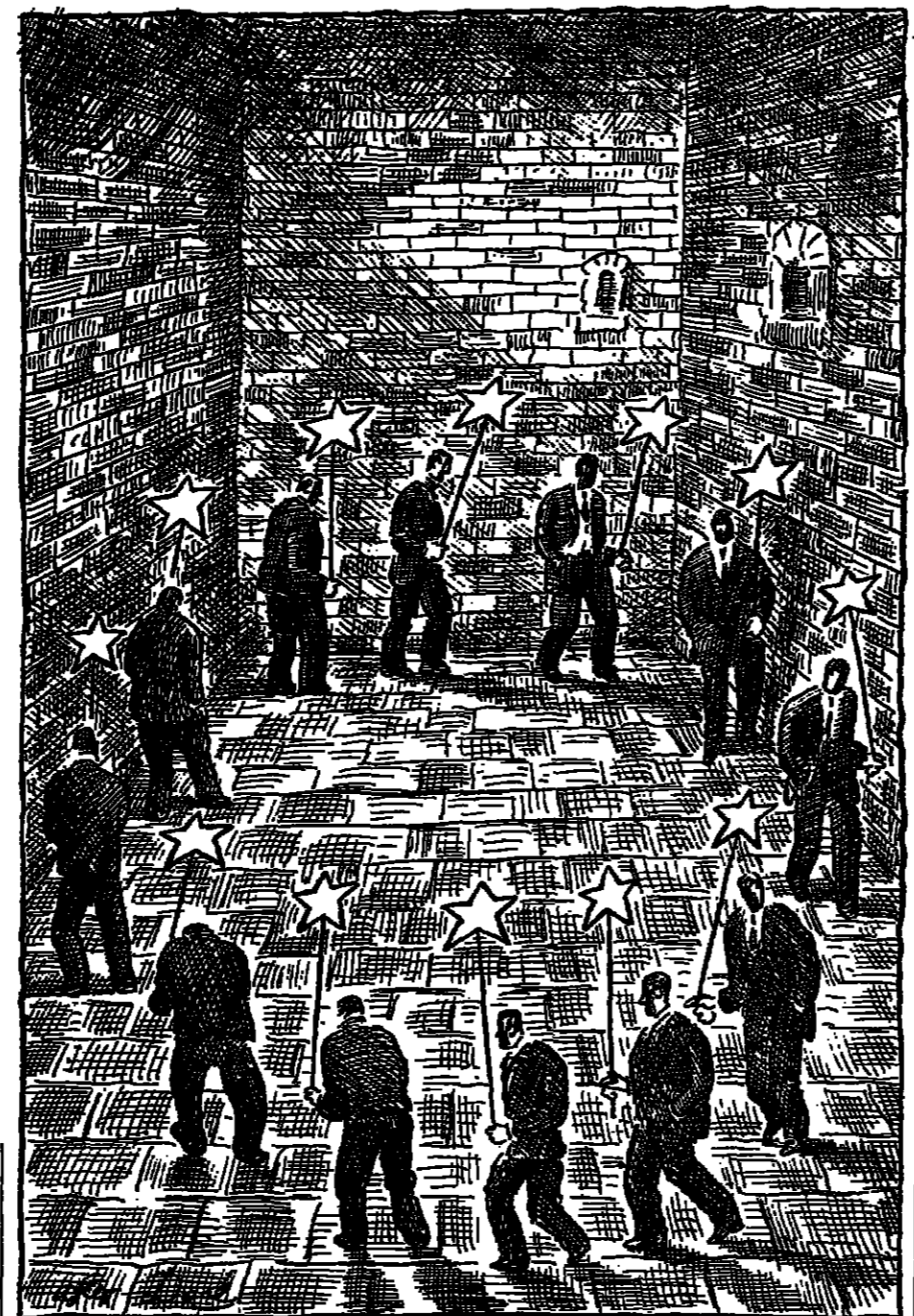
There have been three separate warnings to Michael Howard about the need for an independent external scrutiny of the forensic service — an audit which would check, among other things, to see whether machines were clean. The first was issued by a Lords Select-committee which examined the service and reported in March, 1993. The second came four months later when the Royal Commission on Criminal Justice, in a special chapter on the forensic service, noted the absence of external scrutiny and assessment and called for an independent body to carry out such audits. It wanted these reports on the performance, achievements and efficiency of the service to go directly to the Home Secretary. Eighteen months ago, the Lord Chief Justice added his voice to these calls declaring the reforms were "urgent and overdue". Yet still the Home Secretary refused to move, despite producing annual white papers or new bills on the criminal justice system. Jack Straw got it right when he accused the Home Secretary this week of "a disastrous combination of arrogance and ineptitude". Howard's response was predictable: blame the Opposition for daring to criticise — "A disgraceful approach to serious matters of this kind." Only a man with no shame could deny any blame.

Despite its differences on monetary union, MARTIN WOOLLACOTT argues that Europe is ruthlessly organised in the way governments are seeking to protect their own national interests. Illustration by PETER TILL

Reduced to the religion of cuts

STATE visits are antiquities. They deploy the symbols of the past — cavalry regiments, palaces, horse-drawn carriages, special training — in an uncertain present. As President Jacques Chirac and his wife return to France with their watercolour by Prince Charles, their engraved silver boxes, and their rhododendron bush, we can reflect on how much has changed since these elaborate affairs had real meaning.

Once their purpose was to confer a carefully calibrated degree of favour on a particular nation, while at the same time showing off military, industrial and agricultural progress to the visitor. They are from a time when Europe was full of combative, aggressively independent nations. A state visit might seal a peace, avert a war, or designated irritants a third party. They could go wrong. Kaiser Wilhelm never forgave the slights he felt he had suffered here. The state visit of Emperor Hirohito merely instilled in him a lifelong addiction to Oxford marmalade. Now they are, mainly, occasions which set



the teeth on edge, watched for the accident, gaffe or discourtesy which might undermine the pageantry with farce.

In today's Europe they are an oddity, yet serve to remind us that Europe is still an array of nations. And whether national competition is still the central reality of European life is the most important question before us as the debate about integration splutters on. The argument over monetary union, which now divides the British from most other European governments, is presented, as we wearily know, as a matter of sovereignty, or of whether a federal state, based in Brussels, is going to take decision-making away from national capitals. It is obviously about such things, but it is also about those issues which an American political scientist, Harold Lasswell, once put with engaging crudity: who gets what, how, when, and why? The history of the European community has been interpreted by romantics as one of nations pooling sovereignty to create a united continent. It has been more convincingly recounted as that of nations continuing to seek national advantage

within a new framework — with the possibility that there might arise, over time, some bits of European politics not anchored in such advantage. Chirac did not need to tell the British that monetary union has become more entrenched as a French national objective. A continental version of no-gain-without-pain policies has spread almost everywhere. The brief faltering on the road to monetary union that could be seen in several countries a few months ago is over. In Germany, the opposition's flirtation with doubts brought them no benefits. Since then, Chancellor Helmut Kohl has brought in big reductions in public spending, of which the most recent cut pensions, sickness pay and other welfare entitlements. France has done the same, planning "cuts on a scale never seen before", according to one civil servant. In Spain, Jose Maria Aznar is cutting the upper levels of the civil service by a third, privatising national industries and changing labour laws to allow for easier dismissals. In Italy, Romano Prodi follows the same path.

In all these countries a break with the trades unions has either taken place or soon will. Job creation pacts between unions, employers and government, announced with fanfare only a few months ago, have collapsed. In Belgium, socialist members of the cabinet were pelted with eggs and tomatoes on May Day, and Jean-Luc Dehaene has had to threaten to rule by decree.

Chirac's government has also sacrificed France's military pretensions on this altar. Defence cuts everywhere have made a nonsense of potential European military indepen-

dence, at just the moment when the institutional forms for it have finally been created. Consequently, this huge commitment of ours cannot hope to deploy a successor force to the Americans in Bosnia without their help.

Europe risks much for the Euro. Why? It seems that monetary union and the reduction of welfare costs and wages have converged to become the big idea of European governments. It has become, quite irrationally, an all-purpose panacea. What is necessary for monetary union, it is argued, would be necessary anyway. Indeed, monetary union is used as an excuse for cuts that business, in particular, would want anyway. "If we don't act now," Kohl said, in a recent letter to the mass circulation *Bild* Zeitung, "then more jobs will be lost."

Most European govern-

Church outing for Runcie boys

Rattling the bars



Ian Aitken

WHAT ON earth is the Church of England? It — or rather, its clergy — seem incapable of talking about anything but sex, and especially the kind of sex which was once afraid to speak its name. These days it doesn't just speak it, it yells it, and very often from the pulpits of the established church.

But why did the former Archbishop of Canterbury feel it necessary to admit on BBC radio this week that, so long as they didn't tell him outright, he had always been willing to ordain men he knew to be private homosexuals? He would probably reply that he was asked point blank, and was therefore bound to answer truthfully. But the Church of England is an institution founded upon doctrinal evasions. Couldn't he have ducked and weaved just a little, to the greater good?

For the truth about Church of England persons, just like the ranks of the armed forces, is that they have always included quite a lot of homosexuals. Why else are there all those jokes about curates and choirboys, matching the cruder ones about randy matelots and the golden rivet?

Lord Runcie was absolutely right to follow his "don't tell me" approach to the ordination of men he privately knew to be homosexual. But his unnecessary honesty in retirement has now undermined much of the good he did in office. He has given a further twist to the sexual bang-ups of his former church, and thus speeded its decline.

Twenty years ago there was a referendum on whether Britain should stay in Europe. The campaign was grotesquely one-sided, with virtually the whole of Fleet Street urging a Yes vote and vast sums of money funding the

campaign led by Roy Jenkins and Ted Heath. The No vote campaigners, who included Michael Foot and Neil Kinnock as well as Enoch Powell, ran their show on peanuts. Though they began as favourites, they eventually lost comprehensively.

Those rules now seem to have been reversed. If there is another referendum, this time on Monetary Union, then it will be the Euro-phobes who attract the big money and get the backing of the Tory press. The harsh reality is that Euro-enthusiasm isn't fashionable any longer, even with the Bank of England.

That message was inscribed on the wall last Thursday, when a Tory-dominated Euro-pressure group called Action Centre for Europe (nominally chaired by Lord Runcie) said on a press conference to launch a pamphlet by that once charismatic figure of social democracy, Dick Tavner. Many representatives of the Great and the Good were in attendance.

Alas, not so the representatives of the press. When our own Michael Wilentz — who has previously declared that there seemed to be only two reporters present, he was corrected from the chair: there was only one, and he was it.

Later the same evening, the European Movement — the body which masterminded the Yes campaign in the 1976 referendum — held a reception on the Commons terrace. Very few Tory MPs turned up and there was a better turnout of Labour MPs in the nearby Strangers' Bar.

One Tory remarked that it was the same with the campaign: the Tories were going overwhelmingly to the Euro-scoundrels.

No wonder John Major, notoriously a man of very few fixed opinions, moves further towards the sceptics with each day that passes. As Ted Heath constantly complains, the Euro-enthusiasts are losing the battle by default.

Donald Dewar, Labour's chief whip, is a much funnier and less PC man than his gloomy appearance suggests. At a press gallery lunch on Wednesday he told a story about the second coming when Our Lord went through the streets of Glasgow healing the sick with a touch of his fingers. After restoring the sight of a blind man and bestowing the gifts of a virgin to a dumb woman, he advanced on a gravely disabled person, who promptly reared back. "Don't touch me," he pleaded. "I'm on social security."

Smallweed



STATIC crackles around the Light Programme, whose new boss, James Moir, is the latest BBC bigwig to feel the heat from listeners browned off by changes to their favourite channel.

changes designed (Mayday! Mayday!) to attract a younger audience. Radio 2's regulars are concerned that the station is being trivialised (*Light Lite?*), citing in "evidence" the downsizing of Mr Jimmy Young's broadcast by 30 minutes. Alarmed, we made our own, urgent, inquiries and can allay at least some fears. The *Organist Entertainments* (Wednesday, 8.30pm), for example, is safe, although one of its pillars, Louis Morish, died, aged 88, two months ago at the end of a career stretching back to the days of the cinema organ. Regulars at *Café Pelican* in the early 1990s may remember Louis, then twice-weekly pianist, confiding over a drink between sets that he worried *Organist* was heading for the scrapyard. That it survives and thrives would have delighted him. Meanwhile, what about the fount of all

those happy memories... from the *Congress Theatre*, Eastbourne, your compeer, Eugene Fraser, the BBC Concert Orchestra, under the baton of Sidney Torch...? They couldn't? They wouldn't? Relax — they haven't. Friday night remains Music Night.

FOREIGN affairs, *Smallweed* has long suspected, is a con man's paradise, in which any proposition ("The Islet of Man stands at the multiple axes of global conflict") can, if propounded with suitable *groveling*, be made to sound plausible, indeed, can be used to "explain" just about any development anywhere in the world. It is vital, however, that the practised foreign-affairs attitudiniser keep his hand in with periodic "warnings" of threats to peace in our time, to the New World Order, threats imperceptible to the simpletons in Downing Street, the White House and the Quay of Orsey. This was a week for such warnings. Lady Thatcher, now in hot competition with her old buddy Ted Heath for the title of leading British Big-Picture Guru, popped up in Monday's *Wall Street Journal* with highlights of her speech in Prague on May 11 to something called the New Atlantic Initiative (would-be gurus take note: *always* use your dire warnings to bodies called things like the New Atlantic Initiative). Her particular red alert concerned the "threat" of US disengagement from Europe. Meanwhile, the master himself, Henry Kissinger, was thundering in the *International Herald Tribune* against President Clinton's idocy in allowing Moscow and Peking to dismantle the "strategic triangle" with the US "that

evolved in the two decades after Richard Nixon's opening to China" (Kizza's *Flaunt* hour, in case you had forgotten. It is no surprise that Lady T and Dr Kizza concentrated on the supposed warning of American power — this has been the standby topic of the gurus for several decades. But there was a time when such think-tankings was handled with more regard for the competitive tendering principles dear to our former PM. Stone's Weekly for May 10, 1985, noted with amusement that the Department of Commerce in Washington had advertised for a research study entitled "Pax Americana". The study would look, *inter alia*, at "a variety of world power configurations to be used as a basis for the US to maintain world hegemony in the future". Well, that gets it said. Who needs these £10,000-a-speech gurus when we have Exchange & Mart?

NOT everyone in England's RC community is gripped by the mods v trads punch-up played out in and around the pages of the Catholic Herald. Indeed, some of the faithful seem determined to take to new heights the ecumenicism so abominated by supporters of the *Catholic Herald*. Thomas Ellis, who started the scrap with a post-mortem mugging of the late Archbishop Worlock of Liverpool. The London diocesan newspaper, the *Westminster Record*, carries in its May edition a travel advertisement headed intriguingly: "*Loures/Disneyland*". Where this linking of the sacred and the insane not benign enough, it adds: "Many more places of interest." A tour of the *Figalle*, perhaps? The advert does nod to the traditionalists,

however. Further down the script, amid talk of three-star hotels and luxury coach travel, it states "Disneyland (optional)".

OUR Cambrian neighbours should, perhaps, take a closer look at their master-in-waiting, the shadow Welsh secretary, Ron Davies (he of the unflattering remarks about the Duke of Cornwall). A few days ago, speaking at the Welsh Labour conference in Swansea, Mr Davies declared that the movement, when in power, will be "building, literally, a new society", an ambitious-sounding plan, to say the least, and one about which we have heard little from his boss, Tony Blair. Perhaps this utopia will be confined to Wales, or even to Mr Davies's Caerphilly constituency. Volunteers, please, for Ron's ashram? Someone? Please?

TO end at the beginning, back in the world of wireles. We are sorry but not surprised to read suggestions that Jenny Abramsky, controller of Radio 5, may, by dint of her refreshingly blunt manner, have erased herself from the shortlist for Liz Forgan's old job as managing director of BBC radio. Ten or so years ago, *Smallweed* recalls an episode in the BBC Club. A minion was being quizzed by Miss Abramsky as to arrangements for the coverage of a major story breaking somewhere in the provinces. She was particularly interested as to whether a national reporter was anywhere near the scene. The minion thought not, but added the good news that a BBC local radio station was available to step into the breach. "I want it done badly," replied Miss Abramsky. "I'll do it myself!"

Smallweed

Australia's day of deliverance



Jan Culhane, left, is desperate to make history - as the first person in the world to be helped legally to end her own life. MARGARET SIMONS reports from Darwin

AUSTRALIANS are unlikely to forget the date July 1, 1996. From that day, a doctor called Philip Nitschke will have the power to put into use a unique application of computer technology — his death machine.

Nitschke has linked a computer to a syringe that will be filled with deadly drugs. His patients will work their way through a series of screens before they push a key that will end it all.

On the second screen is the blunt warning: "This device has been set to deliver a lethal injection. To proceed to the next step you must press YES." The last screen reads: "If you press YES, you will cause a lethal injection to be given to the medical help they crave. YES or NO."

In an earlier prototype of the Deliverance program, the patient could choose from a range of CD music options, and the final message on the screen was "Goodbye and Good Luck". Now the final exit will be silent. When the machine becomes available for use in less than two months, the Northern Territory of Australia, where Nitschke practises, will become the first jurisdiction in the world where a doctor can legally assist the terminally ill to commit suicide.

People can be very determined to die — or at least to choose the manner of their departure. It is a determination we normally associate with the will to live. But in Darwin, the remote capital of the Northern Territory, it is the will to end life that is dividing the community.

A year ago, the state's parliament passed the first legislation in the world making euthanasia legal. Almost immediately, tragic journeys began. At least half a dozen people from across Australia sold property, said farewell to relatives, and travelled to Darwin, only to end up in a motel room, unable to die.

The law demanded that pal-

lative care be upgraded, a hospice established and an education programme conducted before the law came into effect. Nobody was prepared to say how long all this would take.

One wife smuggled her 85-year-old husband out of hospital and on to a plane, terrified the airline would realise he was not fit to fly. They booked into a Darwin motel and contacted a doctor, but were told they couldn't yet be helped. The man died, weeks later, in his rental room. By his own hand? "Who knows," says Nitschke. "This is a small community. It's like a goldfish bowl up here at the moment. We are watched."

After July 1, patients who satisfy the rigorous requirements of the law will be able to receive the medical help they crave. Pro-euthanasia doctors say they are aware of up to two dozen patients wanting to travel to Darwin. One query has come from Britain.

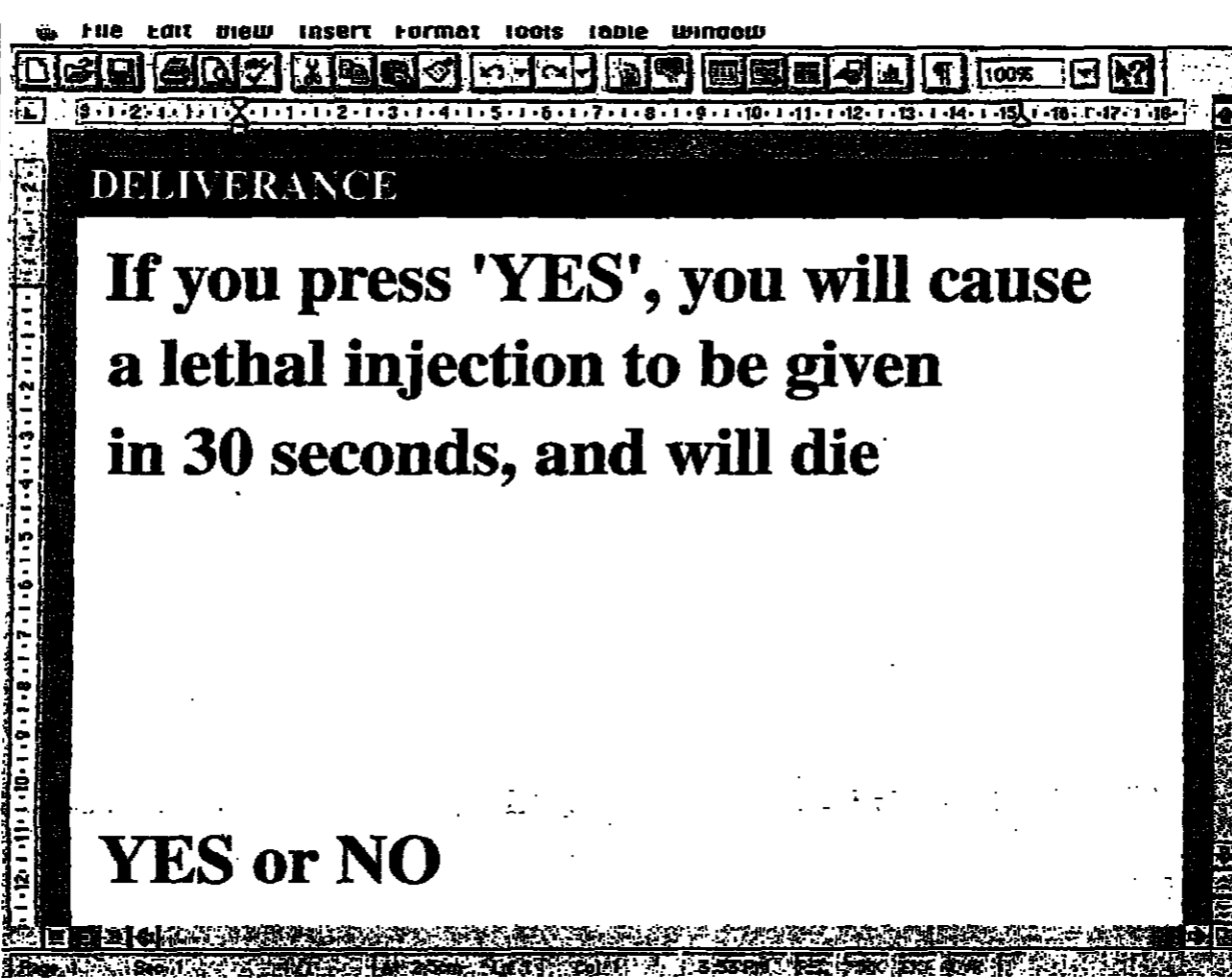
Meanwhile, there is raw emotion in Darwin, which opponents of the law say will become the world's Death City, the destination for one-way tourism.

The arguments from doctors, right-to-lifers and the churches vary from respect for the sanctity of human life to fears that this will be the thin end of the wedge — that voluntary euthanasia will open the door for the venal to have their relatives put down.

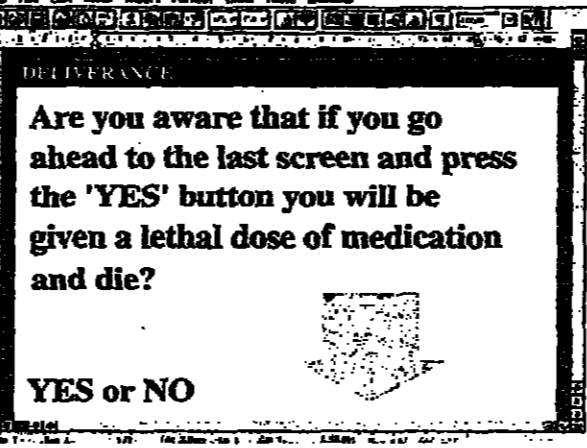
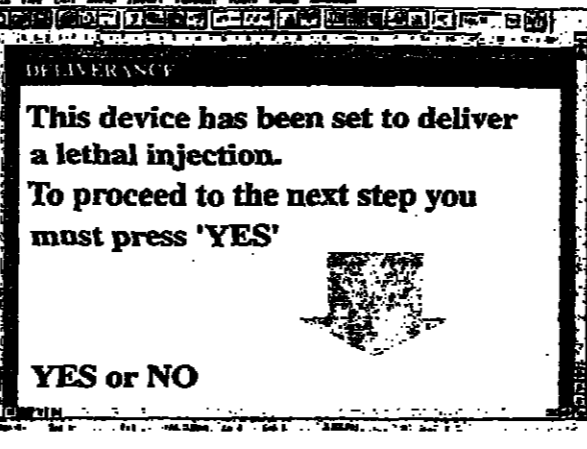
The scaremongering suggests you are a murderer, that you want to bump off people who are in the way, that you are harbingers of the end of the world. Lynda Cracknell, president of the Darwin Pro-euthanasia Society.

Why is this happening here, of all the places in the world? Why has this tiny parliament of 25 members and no upper house, covering a jurisdiction of 173,000 people spread over an area nearly six times the size of Britain, done what no other parliament in the world would dare to do?

To many Australians, the "Top End", as the Northern



DELIVERANCE
If you press 'YES', you will cause a lethal injection to be given in 30 seconds, and will die
YES or NO



Dr Philip Nitschke with the computer linked to a syringe that will be filled with deadly drugs. His patients will work their way through this series of screens before they push a key that will end it all

pricked into action on euthanasia when the Australian Medical Association claimed there wasn't a single doctor in the Territory who would cooperate with its implementation. He persuaded a group of doctors to sign an advertisement contradicting the association's line. Then, suddenly, "I was drowning in it".

Nitschke says the Territory prides itself on being different. "The attitude is, 'We are Territorians. A spade is a spade. People live. People die. We're not squeamish about this'".

Jan Culhane, a nurse, aged 51, is likely to be the first person to begin the process towards legal euthanasia. She is already living in Darwin, having moved from New South Wales shortly after the legislation was passed. In the only interview she has given, she expressed a fervent desire not to live to her 52nd birthday next August.

Hers has been a sad and difficult life, lived with fierce independence and determination. Her fear of losing that independence is what is driving her to seek early death.

She divorced an alcoholic husband and raised three children by herself, including one with Down's syndrome. A fourth child drowned at the age of six.

For the last five years, she has suffered from breast cancer and had both breasts removed. Now the disease has spread to her lymph nodes. Chemotherapy left her vomiting and unable to live independently, so she stopped taking the treatment, and keeps her pain killers to a minimum so she doesn't have to rely too much on others for help.

Her reason for wishing to die, she said, was "that I will not live in fear... I think the fear that I suffer is just as severe as the physical pain. I'm by no means in more pain than I've ever seen people survive under, but it's that pain that I'm not willing to accept."

Before Perron introduced his bill, Philip Nitschke was announced his intention to retire.

"He basically asked us to give it to him as a parting gift," remarked one MP. "Well, there aren't too many ways for a Territory politician to write himself into the international history books."

Now officially retired and tinkering with his beloved hot-rod cars, Perron is still the driving force behind the scenes. But why did he do it? "That is the question I am always asked, and the answer is a bland one which doesn't satisfy people," he says. "The truth is I have always felt that a person who is suffering and

Between the Rock and a hard place



Martin Kettle
THE Romans thought it was the gateway to hell, George I regarded it as an expensive symbol, and his chief minister Stanhope tried hard to give it back to Spain in return for a trade treaty in 1721. The House of Commons — anticipating its role in the Falklands crisis 260 years later — wouldn't let him. As a result, Britain stayed. That is why to this day we are the only nation with a colonial possession on the continent of Europe. Gibraltar.

conference. On the morning of the website's release, I had a briefing from a minister. Before we started on the bigger issues he pointed to the cover of the white paper, with its multi-colour map of the nations of Europe. "I hope you will note our care in ensuring the presence of the red dot which marks Gibraltar," he said. "We attach great importance to that." Was he jesting? It was hard to be sure.

That exchange sowed a question in my mind. Does anybody in this country actually attach any real importance to Gibraltar? I have to say I very much doubt it. Gibraltar is a small, costly, and by all accounts not very prepossessing colony of only 30,000 people. These days it is a garrison town without much of a garrison. Ten years ago we still had upwards of 2,000 military personnel on the Rock. Today we have 700. Any strategic interest which this country once had in Gibraltar has now disappeared.

And in a small way, Gibraltar is now an active disadvantage to this country's interests rather than an asset. It remains a source of friction with Spain, both because our continuing possession of Gibraltar is resented and because the defeated Gibraltarian government has allowed the Rock to become a base for the illegal drugs and migrant traffic from North Africa into Spain. Gibraltar's new government promises a more conciliatory approach to Madrid. Even so, in its irritating way, Gibraltar is a deter-

rent to better relations between Britain and Spain. Normally one might put up with that and allow sleeping dogs to lie. Certainly when General Franco ruled Spain the thought of negotiating about the return of Gibraltar was impossible. Today, however, things have changed. Spain has had 20 years of stable constitutional government. It is a firm ally and a fellow member of the European Union. Far from as for us, Gibraltar is a side issue, but it is an irritation nonetheless.

But the sleeping dog is stirring. This country actively wants something from Spain. We want a new European fishing agreement which will protect our domestic industry from the depredations of the excessively large Spanish fishing fleet. There is a national and an ecological interest in that, and there is a Tory interest too, since John Major is desperate to hang on to several fishing-based seats in the south-west.

Major is a deal maker rather than an ideological politician. Europe is a perfect place for deal makers, and Major is said by some to have secured his famous single currency and social chapter opt-outs at Maastricht only in return for an agreement to support Germany over the recognition of Croatia. A man who made a pact like that would certainly be a man who could trade the Rock for fish.

If I was Major I would try to make some such deal with Spain. The outcome would be

mostly gain: he would have protected Britain's fishing industry, solved a lingering post-imperial question, shown he was a Tory moderate, proved himself a practical European, and saved a handy amount of public expenditure. Against that, he would have to make arrangements for the resettlement of Gibraltarians who chose not to remain, and he would be denounced by his party for abandoning a symbol of imperial greatness and for setting a precedent. All of which helps to explain why Major will not follow my advice.

Tory Blair, on the other hand, has less excuse. His party is not preoccupied with

post-imperial delusions. He needs to show himself a practical European. He has a powerful incentive to redefine British interests in a modern context. And he has a need, as this week's domestic party arguments have illustrated only too clearly, for long-term public expenditure savings which can be reinvested in public services.

Nor should Blair be afraid of the precedent factor. The inevitable argument about withdrawal from Gibraltar could be turned to positive advantage. It would show that Britain is serious about grabbing the remaining post-imperial nettle and facing up manfully to its position as a European nation. If it opened the way to a

more constructive approach to a settlement with Argentina over the Falklands, then so much the better. A new Labour government worthy of the name should be proud to solve these problems, not fearful of the Thatcherite rantings which would accompany such initiatives.

No one is pretending that Gibraltar is either a big issue or even, at this stage, a particularly pressing one. On the colonial agenda, it is dwarfed by the far more pressing question of Hong Kong. Likewise the Falklands remains a more difficult problem than anything to do with the Rock. Compared with the single currency, Gibraltar is not even a dot on the European map.

Yet these things are very relevant. Labour's approach to Gibraltar and the Falklands will be indicative not just of its approach to international relations, but also of its readiness to counteract the jingoistic post-imperial culture in which this country is still entrapped. The past 20 years have in some respects marked a reversion towards that culture, marked by the Falklands war, the rise of Euroscepticism and the spread of the xenophobic tabloid press.

It is genuinely unclear how New Labour would handle a crisis in this area. All Blair's own personal instincts are undoubtedly modern, international and anti-jingo. But that doesn't mean he would pick a fight or necessarily stand firm against tabloids waving the Union Jack. Politically, issues like Gibraltar and the Falklands are landmines waiting for crises to set them off. Who would have thought Britain would have fought a war over the Falklands? Who can say that there will never be a crisis over Gibraltar? It is far better to deal with such questions preemptively. Mines are better defused than left to go off.

Whit ur they Embra effen bees oan about?

America is braced for Trainspotting. Even TOM SHIELDS, a Glaswegian, needs a glossary to keep up

Authentic Glesga voice says, "Handd oan, gie us a glossary furwirl. An cannie work oot whit this effen bee frae Embra's oan about."

Irvine Welsh's Trainspotting has put authentic Scottish voices on film and stage. Foreign (as in non-Scottish) audiences appear to love it — without really understanding it. Theatre-goers in San Francisco have been issued with a glossary to help them follow the stage production.

There are words in Trainspotting that are almost as mysterious to a Glaswegian as they would be to a San Franciscan. Radge, pagger, and hveys mean respectively, according to the glossary, a controversial character, a fight, and money. These words would be met in the west of Scotland with a blank stare and the question: "Whit's the Hampden?"



Welsh, renowned for his forthright debating style, might ask what else can be expected of a soap-dodgin' Weedgie. But there is more that unites than divides east and west. We can both understand, for instance, that years o' tammin' the hevvy gies ya a noxton like a well-skaip' erse (years of alcohol consumption can lead to a florid complexion).

They might get a carry-out and go for a swally down The Meadows, wi' a poke o' chips we'll wait an' see in case they get Lee Marvin.

There are many other authentic Scottish voices now being heard — prize-winners James Kelman (Booker) and Jeff Torron (Walter Scott). Then there was Mel Gibson, who nearly a Glasgow accent leading the Scottish nation towards freedom.

But the real Scottish voice is one that is already familiar: the world over, Yash, Irish Sean Connery, actor and president-elect of the first Scottish republic. Sean, of course, is an Edinburgh boy just like Irvine Welsh.

What a team they would make if Welsh was hired to write a Bond script: "Gies a viddy, akenes no shitter. An get yer klocks aff, Miah Money-penny, ah'm gantin' for it."

HOW TO SPEAK RTI: Embra: Edinburgh. Hampden: rhyming slang. Hampden roar — score. Weedgie: Edinburgh-speak for Glaswegian. Croupen: face. Plooks: facial eruptions. Loupin': aching. Tim: Catholic. Carry-out: alcohol to go, as they say in San Francisco. A swally: a fresco drinking session. The Meadows: Edinburgh park. Poke: chip bag. Salt an' sauce: condiments of fact in chip shops. Lee Marvin: rhyming slang for starvin'. Hmryy: Glaswegians tend to use Hank Marvin, the Shadow. Viddy: vodka. Gantin' for it: sexually all afternoon.

Tom Shields is the diarist of The Herald, Glasgow.

Figures out of a hat

Simon Price (Letters, May 15) challenged our criticisms of EMU with a funny old analysis and an either/or choice...

Our point was simple: you would need to raise £16 billion from today's spending to meet this PSBR limit...

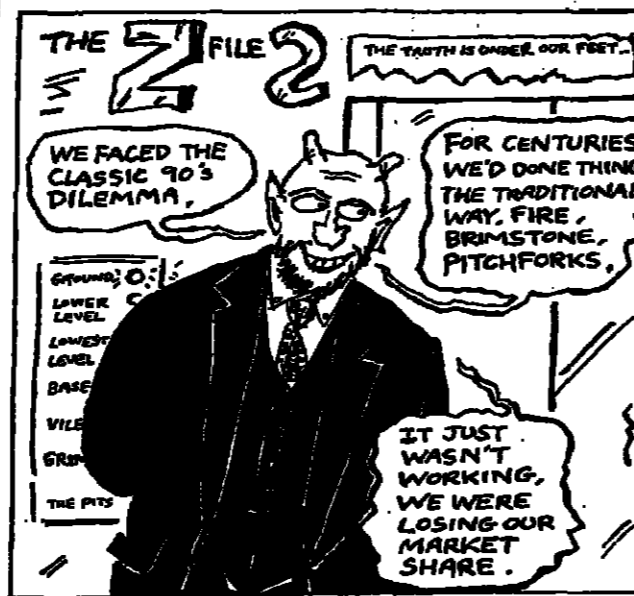
Professor Price's support for Maastricht's monetarist mathematics flies in the face of reality. Annual economic growth in France and Germany...

To ensure that for every franc or pound out in welfare spending en route to EMU, an equivalent or greater amount is raised from the financial markets...

To surrender one's control over monetary policy to a central European bank might be acceptable if it were not transparently obvious that such a bank would persist with the orthodox monetary policies...

Bankers and politicians have access to the best economists that money can buy. It is therefore clear that orthodox economists do not know how our economies work...

Letters to the Editor may be faxed on 0171 837 4530 or sent by post to 118 Farringdon Road, London EC1A 3ER...



School days spent behind bars

We were dismayed to read your article on the Department for Education report (May 15) on security in schools...

World and practise independence. We are in danger of caging the next generation for no good reason.

A safe haven in the sex war

Neil Lyndon's piece (Man Trouble, May 14) having just been told, as a working mother of two young children...

Triarchy has been successful in fulfilling its main duty: to protect and provide for women. However, in doing this it has paid attention not to the voice of women but to the demands of feminists...

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A collision occurs at St Pancras: please expect long delays

Would like to put forward an alternative view on the British Library's St Pancras building (Chunnel) poses latest threat to British Library, May 15.

How is it that intelligent people can make bad decisions and fail to make corrective good ones? The collision of the British Library and the Channel Tunnel high-speed rail link makes the point...

Advertisement for 'The man is a national treasure' Irritable Bowel Syndrome? Helpful Advice From Dr Vernon Coleman. Includes symptoms, causes, and contact information.

Adult neurosis that makes enemies of our children

Your articles on Wednesday (Kids, G2, May 15) about the lives of children made interesting reading. They were topical but they again pandered to the prevailing climate of parental fear...

Last vestiges of civilised life. The fact is, our own generations also had drug and sex under age and got pregnant, was violent, committed crimes, failed in school...

Warner Home Video has suspended indefinitely the release of National Killers (Release of Killers) video halted, May 17. In the same week Dustin Hoffman has pondered on a link between film and violence...

The X file

Warner Home Video has suspended indefinitely the release of National Killers (Release of Killers) video halted, May 17. In the same week Dustin Hoffman has pondered on a link between film and violence...

A Country Diary

MACHYNLETH: I do hope you have all got your sea-legs because you are going to need them in a fortnight's time for the annual cruise to inspect the sea-birds of Pembrokeshire...

recently the tanker Sea Empress ran aground and caused an environmental disaster through oil pollution. No doubt the Trust's experts will point out the fateful spot and also give the latest information about the effects of the oil-spill...

Handwritten signature or note at the bottom of the page.

Daryl gets her act together

Daryl Hannah is back in a role miles from her old image. Why is she playing a junkie porno prostitute?



The Joanna Coles Interview

DARYL Hannah's PR meets us in the uncommunicative foyer of the Noga Hilton, Cannes. There are five of us altogether, two British hacks (me and a freelance) an Australian, an Italian and a Belgian, handpicked for half an hour with Hannah. Five is as close as you get to an exclusive in Cannes — the typical interview involves 10 hacks and 30 minutes. "Now just a quick word about your questions," the PR says brightly, before the lift doors close and we embark on phase one of our voyage to Daryl's hotel suite. "Obviously, you can't ask her anything about her personal life."

This is bad news. With the best will in the world, even the PR can't remember Daryl's last film. When was it, five, six years ago? What was it called? It is now 14 years years since she inflamed interest in *Blade Runner*. Then she made a splash as a mermaid in *Splash* but that was in 1984. Even *Steel Dawn*, in which she played a frumpy hairdresser, was seven years ago. She has done little since. Not, of course, unless you count her two publicised romances with John F Kennedy Junior — "America's sexiest man".

It was a romance which gripped America. A passer-by once videoed them kissing on their doorstep for 16 minutes (naturally it was relayed at length on national television the next day). And they always seemed to be outside, rollerblading through Central Park, jumping the surf on the beach in Guam. He sold his flat and moved into hers. She met mom on the laws of Cape Cod.

There was the constant chatter about marriage fuelled by the news that John-John had demanded Daryl give up her public career. She appeared to have obeyed. And then they split. He was seen with other even taller blondes. She was rumoured to have found solace in the arms of her old flame, the rock singer Jackson Browne. She was even thought to be comfort-eating. All this and

no personal questions? Oh dear. Phase one ends at the fourth floor, where we are deposited in a suite and piled with small bottles of Evian to ease us through a seven-minute promo of Daryl's new movie, in which she plays Margaret, a porn actress and grizzled prostitute addicted to heroin. It's called *Frankie The Fly*.

"Oddly, we don't see much of Daryl. Just a shot of her storky legs climbing out of a truck and later a clip of her in a limousine being forcibly injected. There is not much dialogue either. At one point Kiefer Sutherland shouts: 'You f---in' *****!' To which Daryl replies: 'You f---in' *****!' The PR was sorry that we couldn't see the whole film. It's not yet finished. The promo is on a continuous loop and plays five times before we embark on phase two which takes us, via two more lifts, to the door of Daryl's suite. Knock knock. "Hi, hi, come on in you guys," says one of three identical assistants. And there is Daryl sitting at the table of suite 601, busy blowing bubbles.

Unlike the girl from *Ipanema* she is tall but not tanned, in fact she is so pale she is almost translucent. Her long hair is bleached white, her make-up and lips ghostly, her toenails and fingernails painted white. She looks as if she has tried to Tipp-Ex herself out. In the middle of the table is a cake-stand with a lip-smacking selection of petite-fours, obviously untouched. Out come five tape recorders, on five record buttons. "Hey keep it down everybody," whines Daryl as her entourage dare to talk among themselves.

The Australian speaks first: "Where have you been and why haven't we seen you?" "I was taking a break because my father passed away. Then I had a life change and moved to New York and there was a lot of personal drama and trauma. I needed to attend to. So I just, well that was important. So now I'm just trying to work non-stop."

For a woman of 35, she speaks in a strangely childish voice. Was she disappointed to have taken a break? "It was a choice I made. I needed to attend to personal matters, family and relationships. Now I'm re-energised and enthusiastic." The problem is she looks anything but.

So you're back in a different mood then, asks the freelance helpfully. Daryl looks distinctly depressed. "I don't know, after a while you can Hannah... back from gossip pages to screen. SNOW WILKINSON



get cynical. You know, pessimistic about scripts, about how things turn out, the process so collaborative you never know how things are going to look."

She goes on to complain that 80 if not 90 per cent of the films she has made have turned out to be disappointing. This is a genuine complaint, she is not fishing for compliments. Apparently she was so fed up after making *The Pope of Greenwich Village* with Mickey Rourke, she didn't even bother to see the finished version. In spite of her girlish voice, she suddenly sounds rather old and weary for her age.

Next she informs us that she has been producing, writing and directing her own short movies, after studying film at New York University. She applied aged 33, terrified she would find herself in a class full of wannabe Spike Lees and Martin Scorsesses. In fact, she turned out to be the most dedicated student of all.

But how did her fellow students cope, sitting alongside a Hollywood star? "Oh, after the first week I was just another kid in class." What about security? She laughs for the first time. "Oh, I don't need security, that's all a state of mind. I think if you go into places with a low-key attitude, everybody treats you with respect." Despite her abnormally good looks and fame, Daryl Hannah is beginning to sound worryingly normal.

"Making your own film is like painting a painting or making a pot with your bare hands," she says, suddenly looking enthusiastic.

"It's really palpable, the sense of satisfaction. Acting is so much out of your own hands, there's no sense of completion. You never know how it went. Did I suck? Was I good? I love acting, but as an actress, I'm really insecure. As a director I'm sure of myself. I didn't anticipate that."

She looks so pleased by this discovery it becomes infectious and I find I'm pleased for her too. So tell us about *Frankie The Fly*, stammers the Italian. And so she tells us about her new, grisly role as the prostitute playing opposite Dennis Hopper. Given the part two weeks before shooting, she went on a vicious diet.

"No dairy and no bread, which was very hard because I live on candy and cheese. I'm a vegetarian but I hate vegetables. And I exercised every day, which I also hate for its own sake, though I do like to snowboard, horseback ride and scuba dive."

But she does not want us to think she looks good in *Frankie*. That is definitely not the point. "It's not a Disney version of prostitution," she says quickly. "It's very grim. There's a point where I'm so ugly, I'm messed up, I'm drinking. I can't even tell you what words come out of my mouth! I'm f---in' mother f---in' *****, it's very, very dramatic."

Is this the first time you've played a hooker, demands the Belgian? Daryl nods. "I've always had a problem with trying to romanticise that world of drugs, porn and prostitution. Nothing but bad things can come out of such dishonesty."

What did she think of *Pretty Woman*, with Julia Roberts as the hooker who hooks Richard Gere? "I have a big problem with that. There is something irresponsible about it. You know, young girls think: 'Oh yes, I'll just hook for a while before college and maybe I'll meet the man of my dreams'. I have always had a bad feeling with

'I've always had a problem with trying to romanticise drugs, porn and prostitution. Nothing but bad things can come out of such dishonesty'

the way Hollywood portrays it." Heavens, now she's even sounding sensible. So why are there so many hookers in American films? She studies her Evian. "The business is a male-dominated industry and the men who run the business, well maybe these are the most complex females they have ever come across. I don't know. Or maybe they're the only ones they see."

"Pornography... it's such a weird thing, I don't understand it. It's only for men, women aren't so interested, they're interested in something else, something that's not available."

We do not pursue this unavailability because there is a rap at the door and two uniformed men appear, steering white-traped trolleys. One bears several more bottles of Evian and a bright green salad, the other a plate with one sliced egg and some strawberries.

"Daryl has to eat now," proclaims her PR, and Daryl, to her credit, looks rather embarrassed. We prepare to troop out, when she grants us one final question. In comes the Italian: Have her recent troubles made her stronger? "No," she says emphatically. "No, I think life is a continual process of crisis. Everyone we know and love is going to die. We are going to die. Horrible things constantly happen and you just have to live through it. It doesn't make you stronger. I mean, I exist." We note it down quickly and leave her to her hard-boiled egg.

JOHN CUNNINGHAM meets Anthony Julius, the author surprised to find his book has provoked the lit crits to another savaging of TS Eliot. Should anti-Semitism dispar the poet from greatness or is it just a sign of his times?

Di's lawyer puts Eliot back in the dock

YOU couldn't call any of the literary critics who've decided it's high time TS Eliot got a re-evaluation a boot-boy. But the footnote does define the method of attack: scuffed stanzas for James Fenton, Professor of Poetry at Oxford; steel-toe-capped brigades for Ulster poet and writer Tom Paulin, and highly-polished Oxfordees for the double-breasted Anthony Julius, who started the rumpus.

How come Eliot is suddenly in the centre of a literary affray? For three years, reviewers have gunned at his shrine, and done a soft-slipper shuffle past the small number of grotesque references to Jews in the poems and essays; the cut-throats they lit banished the shadows from the dark side of his work.

Then last autumn, there appeared a monograph by an unknown author that seemed destined to remain in the thicket of academia, so fortuitously did it look at the anti-Jewish element in Eliot's work. The volume slipped on and off the lit. eds' shelves with hardly a review paragraph in print.

This week, however, it has become the talk of Manhattan,

thanks to the American way of investing even obscure tomes with pizzazz. The high-minded New York Review of Books kicked off a seven-page piece by revealing that the book's author, Anthony Julius, is the Princess of Wales's lawyer. It went on to suggest that, in the unlikely event of a divorce over the meaning of *The Waste Land* becoming an issue in the divorce of HRH from HRH, Diana will have the advantage.

The ripple of controversy has also reached Oxford, where James Fenton gave a lecture last week in which he championed Julius's book to an audience including Sir Isaiah Berlin, novelist Ian McEwan, poet Craig Raine and Julius himself.

Fenton posed the question which has nagged away since 1920 when Eliot penned the words in his poem Gerontion: "My house is a decayed house, / And the Jew squats on the window-sill, the owner". Given that Julius, in his thesis, says that any anti-Semitism is a scandal, and given that Eliot was anti-Semitic, Fenton asked: "What is it that holds us back from saying that Eliot was a scoundrel?"

Julius himself is reluctant to complete the syllogism in his book. So why, I ask him in the

Holborn offices of Mischon De Reya, where he is senior litigation partner, does he hold back? "In my case it's not a fear of reverence; it's just a fear of closure. Once you conclude [that Eliot was a heddle] you shut the book. What I want to do is to keep it open, but in good faith, avoiding complicity with the prejudice." It comes as a bit of a surprise that Julius, who is Jewish, doesn't want to condemn unreservedly Eliot's unchecked public obscenities. He's been hooked on the poet since his early teens, the book, written between the demands of a growing family and an expanding legal practice, is a labour of love.

He won't have any truck with the biographical approach — he says he resists to Eliot might have had with Jewish landlords or lovers to explain this aspect of the work. Instead, Julius's argument is based solely on the texts, peeling off the layers of allusion and reference to show, as he puts it, that Eliot's was the rarest kind of racial prejudice: "One who was able to place his anti-Semitism at the service of his art."

And he argues that poems such as *Sweeney among the Nightingales*, *Burbank, Dirge* (which Eliot withdrew) and *The Waste Land* "show the literary fitness of anti-Semitism." The way Eliot rewrites and refurbishes the clichés of prejudice into high art both fascinates and appals him, he says.

"I think some people would have liked me to be more appalled, and some more impressed," he says, aware that two camps have formed — or reformed — over the issue. But, given the care and skill he deploys in showing that Eliot's anti-Semitism was not so much the un-reflective English brand but a blend that mixes British, American and certainly the authoritarian,

pernicious prejudice of France, why doesn't he call for the expurgating of the offending poems from all future editions?

"One censures rather than censors," says Julius. He is being ultra-English in his fairness to Eliot, while being paired at having to reveal the extent of the racial rotness. Others are more direct. "Undesirable" — bold as the stamp on a rejected immigrant's passport — is the headline on Tom Paulin's long piece on Eliot in the *London Review of Books*.

This, together with the distinction of that lecture by Oxford's Professor of Poetry,

poems: "There is a malignity in it which is terrifying. It's so firm and so quiet..." he writes. And he forecasts "the beginning of a long process of revisionist criticism which should diminish the overwhelming, the stifling cultural authority which Eliot's oeuvre has acquired."

You can see Paulin's toe-caps glinting as he anticipates the process getting underway. But some literary currents are stilted and sluggish. The fact that the Julius book made little impact here for nearly eight months shows this.

No conspiracy of silence by the media. Just, says James Fenton, that "Literary editors

it's nothing to get into a great sweat about. While I'm not underestimating anti-Semitism, it has been part of western civilisation and will last as long as western civilisation lasts. A lot of readers don't think it affects his poetry."

Hoggar's view echoes George Orwell's remark about the prejudice in some early poems: "Who didn't say such things at the time?"

But Eliot's anti-Semitism wasn't of the golf-club prejudice type, warns Fenton. Its roots in the French tradition of authoritarian thought, which focused on the danger of free-thinking Jews, make it more troubling. There was nothing genteel, as is sometimes alleged, about it.

Anthony Julius, who has researched the fetid seam of abuse on which Eliot drew to vilify Jews from a clever but low literary height, would prefer that such calumnies never reappeared. "But," he says "I didn't write it as a kind of exercise in social therapy. It would be wonderful, of course, if it made it more difficult to adopt ineffective forms of anti-Semitism or



Verbs that Eliot, above, left out of *The Waste Land*. PHOTOGRAPH: BASSANO

*Full fathom five your Eldestin lies
Under the flaxfish and the squids,
Graves' Disease in a dead Jew's eyes!
When the crabs have eat the lids,
Lower than the wharf rats dive
Though he suffered a sea-change
Still expensive rich and strange.*

*That is lace that was his nose
See upon his back he lies
(Bones peep through the ragged toes)
With a stare of dull surprise
Flood tide and ebb tide
Roll him gently side to side
See the lips unfold unrolled
From the teeth, gold in gold
Lobsters hourly keep close watch
Hark! now I hear them scrouch scrouch scrouch*

signals the entry of the Brits into the current skirmish. Combatant Fenton, for instance, says he thinks the worth of some of the poems will be damaged "more than Julius lets on." The dismantling of the shrine may be startling, as the gilt rubs off the Anglican, conservative, monarchist persona which Eliot carefully constructed round a fascistic core.

Poet Paulin's nose has long noticed the odour of putrefaction in the anti-Semitic

probably said "Oh, didn't Christopher Rix deal with all that a few years ago" [in his book *TS Eliot And Prejudice*] without realising what a powerful book it was."

And indeed, many respected academics would feel that the theme was periodically and sufficiently aired. Dr Richard Hoggart, who interviewed the poet towards the end of his life (Eliot died aged 80 in 1955) says: "I wouldn't go out of my way to study Eliot's anti-Semitism; race prejudice."

That would be a long-term hope. A more immediate front confronting Julius is those Jewish critics who don't go along with him. Jews are over-sensitive on the issue, said the Jewish Chronicle; they do themselves a disservice by delving into old instances of prejudice. Next round, please.

TS Eliot, Anti-Semitism and Literary Form, Cambridge University Press, £30.

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'Dismal', 'A rough night'. Tim Albery's Macbeth is under attack. MICHAEL BILLINGTON rides to the rescue

Daggers drawn

A MONTH ago Tim Albery's Nabucco provoked boos and counter-boos at Covent Garden. But there was no such passion at Stratford-on-Avon, where his new Macbeth was received with polite applause. I, however, found it a most compellingly intelligent production: one that shows the influence both of German theatre and the ENO of the eighties in its stylised lighting, emblematic grouping and inventive use of space.

unifies this broken-backed play and motivates Allan's descent into black tyranny. He starts as a nervous hypocrite, much aided by Sherin's snap lighting; he warily seizes the Prince of Cumberland by the hand, for instance, only to turn to us in a pinpoint light to announce "that is a step on which I must fall down". Before the murder of Duncan, he giggles with apprehension; only after it is plagued by the supreme pointlessness of king-killing without an heir.



Descent into tyranny... Roger Allam plays Macbeth in the RSC's compellingly intelligent production. PHOTO: NEIL LIBBERT

Reviews

POP

The Tony Rich Project Clapham Grand, London

HATS — that's what's been missing from R&B. Rappers have their baseball caps, ravers their woolly bobbles, but rhythm & blues crooners lack the audacity bestowed by a good hat. Atlanta's Answer "Tony Rich" Richards is campily aware of this, and is never seen without his snappy porkpie number. It was probably responsible for getting his first single, Nobody Knows, into the top 10 this week.

THEATRE

Portia Coughlan Royal Court, London

RONY of ironies: Marina Carr's highly promising Portia Coughlan at the Royal Court hails from the Abbey, Dublin, and was sponsored by that city's National Maternity Hospital. You might have expected a warm hymn to Irish motherhood; in fact the play questions not just the sanctity of family but even the very concept of inherent maternal love.

Life after Father Ted

Television

Mark Lawson

ALTHOUGH there is some evidence that babies in real life really do make people go "Ahh", babies on celluloid are more likely to produce, at least from this viewer, the sound: "Aaaaargh!" The movie Baby Boom is Diane Keaton's career mistake, just as Nine Months was Hugh Grant's. One of my most traumatic memories of adolescence is Life Begins At Forty, an ITV sitcom in which Derek Nimmo and Rosemary Leach conceived a late addition to their family in middle age, thus revealing to their older children that they still "did it". You hoped that, in this day and age, commissioning editors took precautions against this kind of thing. But here comes Life After Birth

(Channel 4), reclaiming for motherhood the comedy slot just vacated by the calibates of Father Ted. Alison (Emma Cunliffe) is a perky 20 and would ideally be settling down with her sassy friend Jude (Paula Bacon), in a girl flatshare sitcom not unlike Channel 4's recent Dressing For Breakfast. Except that Alison was impregnated while drunk at her 20th birthday party, changing her sitcom model from flatshare to baby-makes-three. It is an amusing feature of television that while factual programming is full of series about infertility — such as Thursday night's current Making Babies — every single act of intercourse in fictional shows results in pregnancy.

delivery suggests ambitions in that direction — he has personally been the target of vicious satire, portrayed in several series of Spitting Image in the form of a slug. But, slugging it out with journalists at the launch of the series, the former Tory Party chairman made it clear that he regards Spitting Image as juvenile, no match for the great caricaturists of the past.

It is one of the favourite Establishment platitudes that modern satirists and cartoonists lack the subtlety of Swift and Gulliver, those alleged masters of the firm but fair slap to the mighty. Even glancing inspection of the material soon establishes this view as nonsense. As the contemporary cartoonists interviewed by Baker pointed out, no draughtsman has gone as far with Charles or Diana or even Fergie as Gillray went with his Prince of Wales. But Baker — trilling "Wonderful! Marvellous!" in front of these blustering images of the past — seemed unable to see the truth, which was that, in Gillray's day, he'd have been lucky to be depicted merely as a slug.

Good, clean kitsch

Radio

Anne Karpf

CAN THERE be any softer targets for the satirist's barb than the Eurovision Song Contest and the Bloomsbury Set? You might call them self-lampooning, allowing even the unwildest to crack jokes about nul point Norwegians or interbreeding bohemians. So the pair of programmes on these subjects last week had the task of finding fresh ways to make us mock.

tion, which is today indissolubly linked with German songs that say "Bonjour, bonjour" or winners like La, La which used the word "la" 138 times (Amazing, as Peel noted, that anyone bothered to count).

but also the fact that for many people — especially those who write in languages like Finnish, which English-speakers regard as intrinsically comic — Eurovision is the only chance to reach an audience outside their home countries.

The Book of the Week

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John Malkovich dresses-down JONATHAN ROMNEY

'Incorrect. Totally'

Cannes 96 YOU wouldn't so much say that John Malkovich is dressed from head to foot in cream. It's more that he's dressed pale, including a little white skullcap. It makes him look as if he's beamed in from another spiritual plane, and his unworldly monotone drawl adds to the impression that he's about to dissolve into the sofa.

direct. One is a version of Nicholas Shakespeare's book The Dancer Upstairs, about a terrorist in Peru, the other is The Libertine, a version of Stephen Jeffreys's play about that Restoration rake the Earl of Rochester, to be played by Johnny Depp.

true," he says, in ominously measured tones. "I think it's almost completely untrue. I don't do funny voices. I can pull them off quite well if I feel like it. I think you're incorrect. Totally incorrect."



Malkovich... an old hand at stage work, he is in Cannes to announce two films he plans to direct

Talk of the town

JUST in case this year's Cannes wasn't enough of a carnival — and plenty of people thought so — next year promises to be the works. For the festival's 50th anniversary, the proceedings will be stretched to 13 days rather than the usual 12, and will feature a Palme d'Or des Palmes d'Or. The Palm of Palms will be awarded by previous winning directors, and will go to a past entrant who never won the main prize. A probable centrepiece of the fest will be the premiere of Spielberg's follow-up to Jurassic Park.

Review

JACQUES Audiard's A Self-Made Hero is a welcome surprise. It stars Mathieu Kassovitz — the director of La Haine — as a young man who, during the war, constructs for himself a fantasy life that would make Billy Liar into a paragon of virtue.

too, but now he's working on a film called Afterglow, which Robert Altman is executive producing. Starring Julie Christie and Nick Nolte, it's described by Altman as "a kind of La Ronde thing," he says. Nolte might want to rent that Don't Look Now video in preparation.

not only about how we all invent ourselves in one way or another, but how many of those who collaborated with the Nazis afterwards claimed otherwise. Its highly personal story thus points up a general guilt. But because the film is funny and ironic as well as accusatory it transcends the ordinary. Let's hope it's somewhat more in the final prize list.

Handwritten signature or note in a box.



Illustration: MATTHEW RICHARDSON

The rrrruff!! guide to eating

FIRST woke up to how rigidly one's own culture defines the edible when I spent a year in Libya back in the mid-sixties. I was interested by my initial revulsion to eating a live locust. Tripoli then was something of a hick town, many of whose older inhabitants were true sons of the desert. In the locust season these people could be seen sitting outside their houses, gossiping and idly eating the insects alive. As though shelling peanuts, they would strip off the wings and legs and pop the body into their mouths.

The day inevitably came when I was hospitably offered a locust. It was partly a tribute to public school food that I was able to eat it with stoical patience, but only partly. I was curious, and that helped. The taste was faintly greenish and suety, and I remember being anxious to chew it all at once before my tongue could detect any tiny movements of protesting mandible or pulsing abdomen.

The tradition of eating in a spirit of curiosity exists even in Britain. Eminent Victorian naturalists such as Frank Buckland and Vincent Holt did it all the time. Buckland ate anything, including exotic zoological specimens, and was the one who wrote "A roast field mouse — not a house mouse — is a splendid *bonne bouche* for a hungry boy. It eats like a lark." Holt's excellent book *Why Not Eat Insects?* (London, 1885) was full of satisfying recipes which any Briton with access to a garden could prepare, such as Bofled Neck of Mutton with Wireworm Sauce and Moths on Toast.

Some years ago a reception was held at, I think, the Royal Geographical Society, at which cocktail sandwiches spread with Holt's woodlouse paste recipe were served. "Better than shrimp," was the widespread verdict; and one might think a taste for it would catch on if only woodlice were conveniently available by the pint, like winkles. Wake up, Sainsbury's!

I thought about all this on my most recent spell in the Philippines, which remains my favourite country bar none partly because it offers novel experiences of every conceivable kind with high good humour. Among these are gastronomic pleasures and challenges which leave one lost in admiration at human ingenuity and discrimination. Discrimination, because the recipes often rely on a palate tuned to fine shades of flavour that elude the untrained.

The supracaric reputation of French gastronomy and conceivably have tended to bludgeon us into thinking that tastes become cruder the further one gets from Europe. Yet it is not just Basque chefs who can identify from a beef stew the exact pasture where the animal grazed. Tea experts from Darjeeling to Japan will often identify a source of water from taste alone. Similarly, I discovered, a feaster in the mountain provinces of the northern Philippines can tell to the nearest day how long a piece of salted pork was packed in its earthenware crock simply by its flavour.

I had long since tried all the old party favourites in the vil-

lage where I live: *bayawak* (a large, iguana-like lizard); dog in one guise or another; fruit bat; and, of course, that ubiquitous national favourite, *balut*. *Balut* are hawked in the streets of almost any town: hard-boiled duck eggs which have been fertilised and in which the embryonic chick's tiny beak and little folded wings are well defined but still soft. Eaten warm with salt they are superb as well as nutritious.

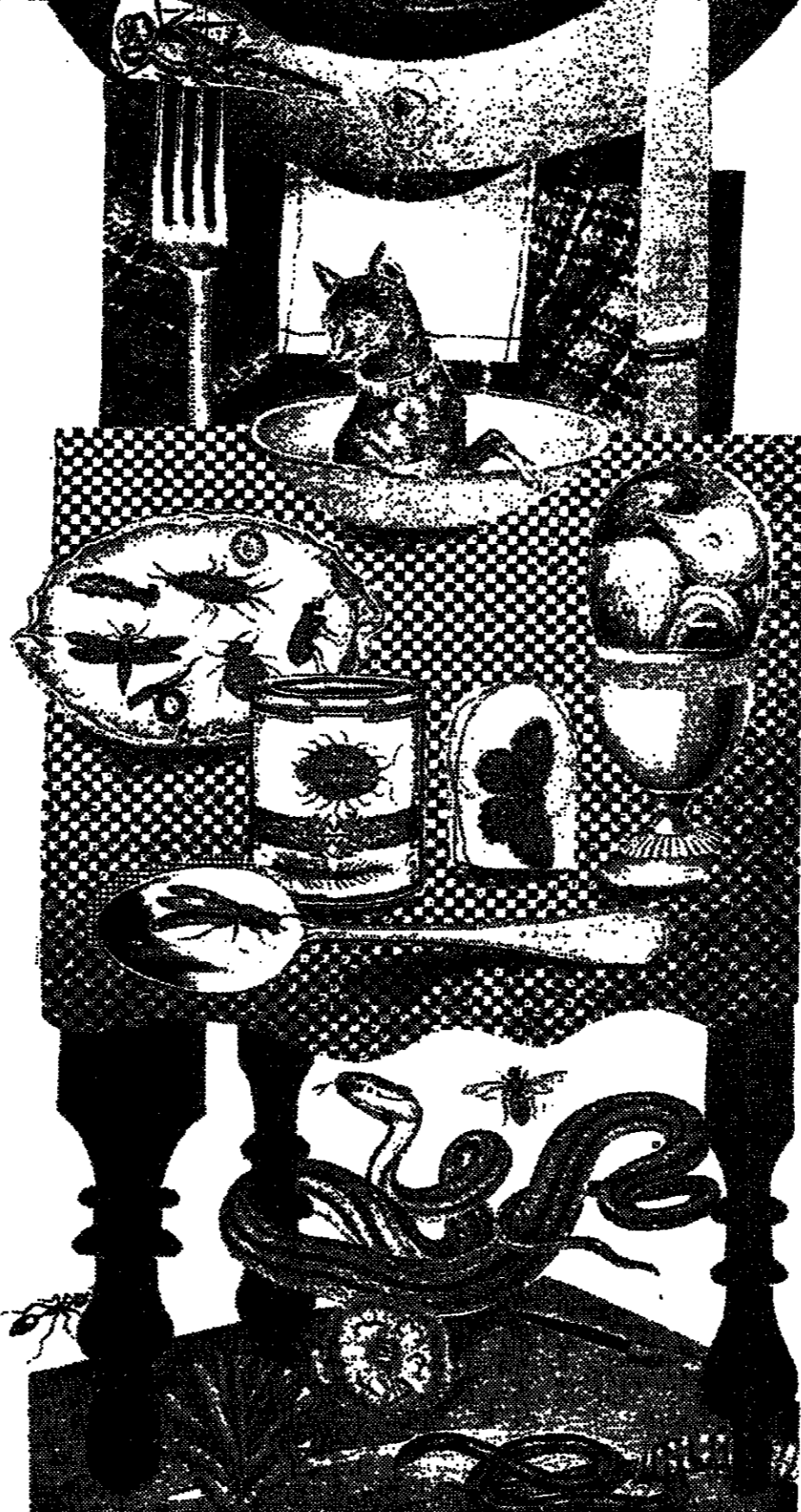
This time, though, my travels took me some hundreds of miles to the north, to the late Ferdinand Marcos's home territory of Ilocos Norte. I remembered Libya as soon as I encountered *pinakulog hipon* or "jumping salad". The *hipon* are tiny live shrimp which leap and squirm on the plate. I was told they could be subdued with a squeeze of lime juice, but this seemed only to provoke mine. Maybe the juice stung their eyes.

The taste is wonderful, quite unknown to people who have never eaten seafood which has not been locked in ice since it died. They do twitch a little in the mouth; the effect is not unlike the crackling sherbet (Space Dust and Moon Rocks) British children could buy a few years ago.

When you eat jumping salad it is easy to believe in sympathetic magic, which claims that the soul or essence of the victim passes into the devourer — the theory which once gave us larks' tongue pink. It made me feel sprightly for hours afterwards. Don't be tempted to dust the shrimp, however lightly, with black pepper: it overpowers them. A judicious drop or two of fresh ginger juice adds bliss.

Like any other wild people, Filipinos make a firm distinction between pet and pot. Times would have to be hard indeed before old Rover made the supreme sacrifice. Dog dishes are often referred to generically as *asosna*. This is a falsetto pun on the Spanish word for lily (*azucena*), that deathly plant introduced for their cemeteries by the Philippines' first colonisers. But in Tagalog *aso* is dog, while *asna* is Spanish for supper, so with a small triumphant act of semantics, an indigenous eastern dish flowers to outrage the European invader.

Up in northern Luzon one can eat a satisfactory array of dog recipes, though in the town of Baguio the meat is often sold from door to door already butchered, and gastronomes will tell you it's important to know the breed you're cooking, as well as its age, and vary your recipe accordingly. This is where a discriminating palate pays off, since true dog lovers will know whether the dish's lead character was a dog or a bitch, especially one on heat. Of course puppies, like veal, need bland and delicate cooking.



be described as tasting *malansang*. It's interesting to discover a sensory perception that is simply not recognised by one's own culture. Bearing this in mind (for Filipinos consider *malansang* unpleasant), there are half a dozen common ways of cooking dog — other than straight roasting over an open fire — and plenty of regional variations. It should be remembered that most rural Filipino cookery is of the "open fire" rather than the "oven" type, which gives a distinctive flavour.

Kalderetang aso (caldereta, of course, is Spanish for cauldron): A classic dog dish. Garlic and onions are fried in coconut oil until brown, and reserved. The meat (chopped Chinese style, with the bones) is fried in the same oil until tender, then the onions and garlic are put back in and a cupful of soy sauce added. When that has bubbled and steamed enough, any or all of the following can be added: tomato ketchup, peanut butter, margarine, peppercorns, chili, pickles, potatoes, carrots. The ketchup and margarine give a debased and over-sweet taste and may safely be omitted. The peanut butter imparts a slightly Indonesian flavour. To this is added a bottle of San Miguel beer — one bottle per dog — and the whole thing allowed to stew gently for an hour. A fancy *asosna* might even include pineapple

chunks. *Adobong aso* (adobo being Spanish for pickling sauce): This gets rid of any *malansang* flavour by a different method. Here the meat is boiled first in coconut vinegar and soy sauce. It can be embellished into *adobong aso sa gata* by adding turmeric and fresh ginger and then coconut milk at the end. Depending on the quality of the pot, the flavour emerges rich and clear and nuttily. *Bulacan dog*: In Bulacan Province they have a method of holding the meat with tamarind, onions and garlic to achieve a good, sour, *sinigang* flavour. Then the meat is patted dry and fried in plenty of oil. It is served with a dip made of soy sauce, chili and ketchup. This is delicious though I can't recommend it for cat, which is a dry meat and easily becomes stringy and floury if fried as well as boiled.

I am now in a position to promote dog done *alla Toscana*, which I tried out in Italy last autumn after a huntsman foolishly shot his own hound. I roasted a haunch in the oven with olive oil, garlic and rosemary. My house guest considered it a great success. Sadly, owing to the lack of rosemary and olive oil in the Philippine provinces it would be hard to introduce this taste sensation there. I feel something very good might also be done with a stuffing of basil,

prunes and lemon, held together with mustard flour. Certain Italian friends affect horror — as do some of my Filipino friends — but this is a received response and not based on experience. (Hypocritical, too, since dog meat is still occasionally smoked in the Italian Alps.) It's the old argument of the avatologists who hadn't read a line of Rushton. "Oh, taste and see," is the reasonable response.

In any case, *cane alla Toscana* suggests a whole range of possibilities using exotic ingredients but in a European style. I am familiar with *adobong aso*, which is python, and an eager to invent python steaks in Trieste fashion, with white wine and anchovy fillets. They would be fabulous. But alas, it is an idle dream. The most one could hope for here in Europe would be an occasional adder stew with shallots.

The Philippine provinces also have some unusual culinary specialties which, for sheer inventiveness, are a tribute to the human spirit. There is a dish from the mountain provinces that requires a chicken to be plucked before it is beaten slowly to death with spoons. The theory runs that the beating mobilises subcutaneous fat as well as breaking the capillaries, and produces a flushed, creamy texture.

I have to report — regretfully, in view of the bird's protracted demise — that in my case it was all for nothing since it tasted to me like roast chicken by any other name. Evidently my palate is still poorly educated. I gather the Ewondo of Cameroon use a similar method on plump dogs, which are tied up and tenderised for a day with small canes before they are cooked in a complicated nine-hour procedure. In any case, readers wishing to try for themselves this method of preparing a

Jumping salad tastes lively, rather like crackling sherbet. But chicken slowly beaten to death with spoons then roasted falls rather flat. And then there is dog...
As the British passion for beef goes cold JAMES HAMILTON-PATERSON picks out some alternatives to tickle the palate

chicken are urged to use nothing heavier than one of those light wooden spoons from Habitat. The point is not to break any bones.

Also, the sensitive are advised that even in the cheerful outdoor context of tribal cookery the scene is not without its pitiful aspects. I suppose the bird might be given an anaesthetic; yet this would violate the no-chemicals rule.

Also from the north is *pinakulog*, which I have yet to try. It, too, starts with a chicken being beaten to death, this time with its clothes on. Once dead, it is briefly roast in its feathers before being cut up and cooked in the normal fashion. A tasty combination is for it to be mixed with *ilog*, which is belly of pork dried and packed in salt in earthenware crocks until it becomes maggots. This, when cooked with the chastised hen, yields a greeny-greyish sauce described as "hearty". The sum of its parts is apparently far greater than their individual promise.

Buro dishes, a Pangasinan speciality, are also something I have never eaten. *Buro* refers to a way of pickling in brine. One celebrated version starts with a stew of pickled vegetables which is allowed to cool before being fed to a dog that has been starved for a couple of days. The dog wolfs it down and after an interval, someone gives the animal a special blow behind the ribs with the edge of the hand which induces immediate vomiting. The regurgitated stew is caught in a bowl, re-cooked with additional herbs and eaten. The dog, which is more cross than inflamed, is rewarded with a meal which this time it is allowed to digest completely.

A friend who has tried this dish, as well as another version which involves ferment-

ing fish and rice in a crock for several weeks, says *buro* is something you need to acquire a taste for, like *kimchi*, the Koreans' pickled vegetables. Yet another Pangasinan dish involves a goat being fed as much grass as it will eat before it is killed and cooked with the grass still inside. The grass-filled stomach is allegedly delicious.

There is a range of *papaian* dishes from Ilocos (but means bitter) which have percolated south to the extent that one can find workers' restaurants in Manila specialising in them.

A good *papaian* will present an interesting taste to a European who is otherwise accustomed to bitterness only in tonic water, or in vegetables like chicory. It is well worth trying and nothing like as bitter as it sounds — far less so than some varieties of Italian salad greens, for instance.

RETURNED from my trip up north to my home village to find somebody's birthday being celebrated with an old favourite — a brilliant campfire version of duck à l'orange called *patatin*. The duck is lightly spiced and then transferred to a large iron saucpan, in the bottom of which is a bed of the Chinese fermented black beans which come in tins. A bottle of Sprite is added (though Fanta is equally suitable) as well as a large lump of ice. The ice slows down the cooking — heat control is always a problem with an open fire. After an hour or so the *patatin* is ready.

Free range duck is delicious in any case, but what makes this dish is the fizzy drink, sweetened black bean sauce.

It used to be obligatory to end a food article by quoting the 18th-century French law-

yer and gastronome, Brillat-Savarin: "*Dis-moi ce que tu manges, et je te dirai ce que tu es*" (Tell me what you eat and I'll tell you what you are.) I haven't the least idea what he meant. What kind of judgment was he threatening to make? A class one? Racial? Nationalistic? Economic? Religious? Or merely implying a confident assertion of his own *bon goût*?

However, if he meant "You are a curious traveller, soon to be dead and happy to try anything once" one might allow the old fraud some points. The only form of abuse I remember without pleasure from my schooldays is gastronomic. It is a reminder that we come from a culture which thought nothing of giving Span fritters to impressionable children. We owe it to ourselves to put our cast-iron digestions to better use, and abandon taboo in favour of new taste experiences.

Any visitor to Manila wishing to do the same might make a good start by dining at Patio Mequeni, a restaurant near Remedios Circle in Malate. Nothing too outrageous, but an interesting range of regional Filipino dishes.

The deep-fried mole crickets to nibble with a cold San Miguel as one waits for the main course are highly recommended, and would have made Vincent Holt's evening. They rustle agreeably on the plate, but are still squidgy and peanutry inside.

Dog-fanciers, on the other hand, will have to ask around, since the restaurants they are looking for tend to lie outside touristy areas. If you find a taxi-driver who pretends not to understand, you can convince him by telling him you're looking for aw-aw rhymes with bow-wow. You can't get clearer than that.

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James Hamilton-Paterson divides his time between Italy and the Philippines. He won the Newdigate Prize for Poetry at Oxford in 1964 and since then has written novels, a documentary work on Vietnam, short stories and screenplays. He won the Whitbread First Novel Award in 1989 with *Gerontius*. A collection of short stories, *The Music*, was published last year by Jonathan Cape

Money Guardian

Euro-vision hits right note as savers look to future

The single currency got an unexpected lift this week when the building societies held their annual meeting

Mark Milnor and Teresa Hunter

SAVERS and borrowers could push Britain towards a single European currency ahead of the political agenda if the UK decides to opt out of the euro in 1999.

Financial institutions are gearing up to meet demands for euro-denominated savings accounts, bank accounts, endowment policies, loans and credit cards, which they believe will be triggered by even a limited alignment of European currencies.

Foreign currency accounts and loans are already available, but have failed to capture the public imagination.

However, institutions believe the demand for euro facilities will be significant, if it becomes the main currency of Europe—as people increasingly travel and work abroad. Bradford & Bingley chief executive said: "Whether Britain joins a single currency immediately or not, we are preparing to run dual systems for savings and loans."

"We believe there will be a big demand, particularly for euro savings accounts—and that demand will be on a completely different scale from anything we have seen before."

"If the euro becomes a stronger currency than sterling, savers will look to it for stability—even if the interest rates are lower."

David Kern, group chief economist at NatWest, expects savings rates to fall anyway after the introduction of a

single European currency. He said: "If all things remain equal, interest rates will be lower. Mortgage and savings rates should come down because of greater stability. One knock-on effect is that the housing market will be less bubbly because of a steady environment."

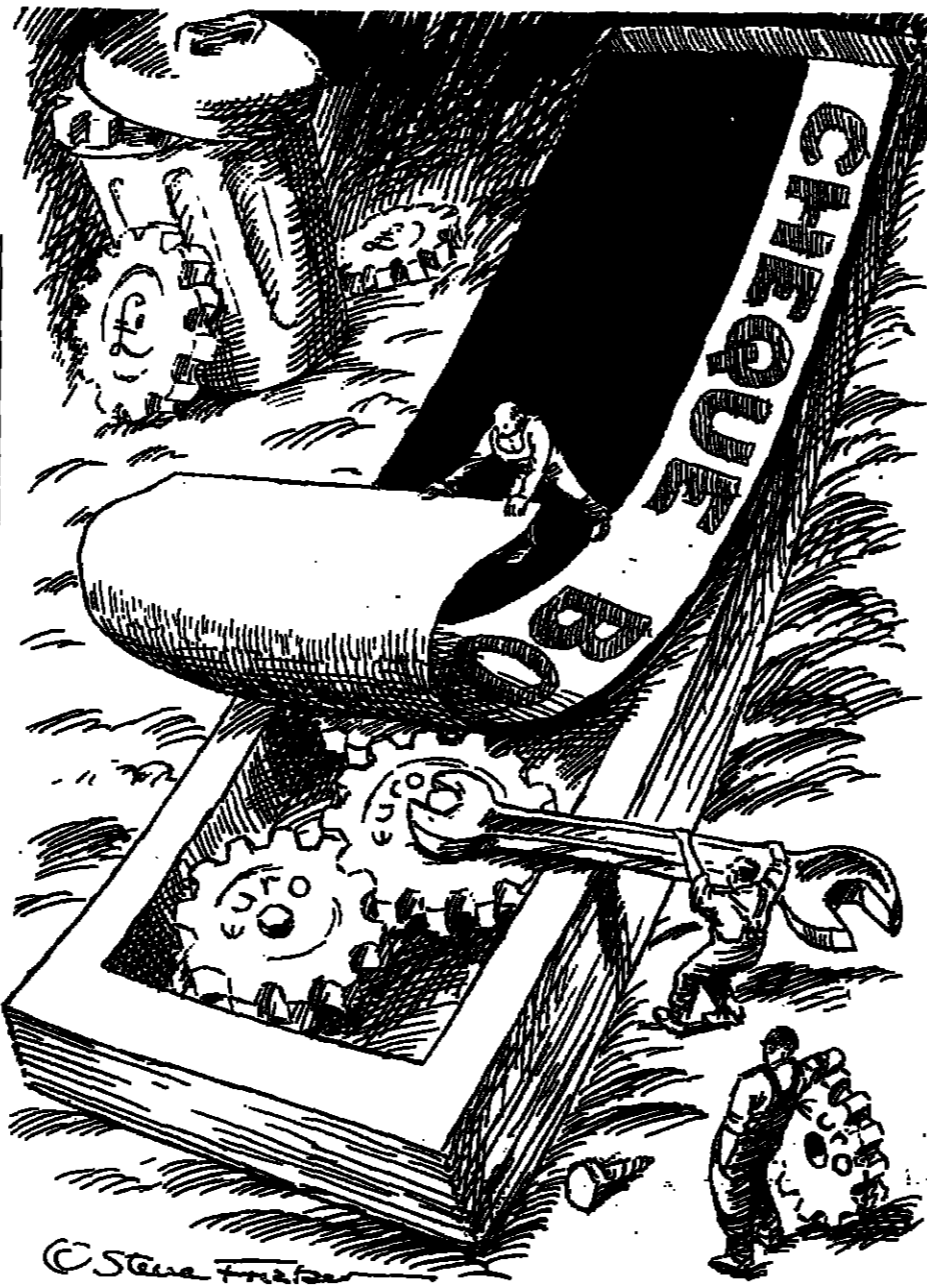
A Legal & General spokesman said insurance companies would be quick to respond to any demand for Euro-based long-term savings accounts. He said: "It is possible that, as pressure for the UK to join a single currency builds, home buyers may want to take out euro-endowments, because they believe that ultimately that is what their 25-year contract will become."

Cheltenham & Gloucester chief executive Andrew Loughurst believes euro-mortgages could prove popular with UK borrowers, if they have lower interest rates in line with the 5 per cent currently

charged on deutschmark mortgages.

But he warned that consumers were completely unprepared for the complexities ahead. He said: "We could reach the stage where estate agents start to quote house prices in euros for people who wish to take out euro mortgages. Home buying is already a horrendously complicated affair. This could turn it into a nightmare."

Halifax assistant general manager Gary March accepted that if there was a big demand for euro savings accounts institutions would seek to match them with mortgages. He said: "Our main concern would be security. If



it came to repossession we might be left with a depreciating sterling asset secured against a loan denominated in an appreciating currency."

British home buyers can already purchase their properties using, for example, yen, marks or even ecu-denominated mortgages. But the prospect of lower interest rates is counter-balanced by the risk of higher capital repayments if the pound falls against the mortgage currency.

That, however, will change if and when Britain does sign up for the single European currency. According to the timetable for monetary union laid down by the European Monetary Institute (EMI)—the European Union's putative central bank—the first stage should take place on January 1, 1999. At that point,

countries will irrevocably lock their exchange rates which means that the relative value of the currencies involved will not be allowed to change.

But while that will allow financial markets, banks and companies to use the euro in pricing business deals, contracts and when drawing up their accounts, it will still be some time before the euro appears in banknote or coin form. The EMI suggests this will happen not later than three years after the locking of exchange rates, which could put it in 2002, with a six-month period when national currency and euro notes circulate side by side.

As the Bank of England recently noted: "Whether the UK is in or out, we believe that the focus of preparations now and in the immediate future should be on wholesale financial activity. Issues relating to retail activity, which would only be relevant if the UK nation becomes a participant, are less immediately pressing."

The British Bankers' Association sees cash machines as one of the biggest obstacles in the changeover to a single currency. Although the transfer to the euro may be a gradual process, cash machines are likely to issue sterling right up until January 2002 for technical reasons.

Cash dispensers will have to be fitted with new software and components as a part of a £38 million operation. The cost of printing and mailing cheques and information booklets is expected to amount to £174 million.

In a report on the implications of a single currency, the Association for Payment Clearing Services (Apcs) said that cards which carry a cheque guarantee limit in sterling would probably be valid for up to two years after the introduction of the euro. Apcs assumes that credit and cashcards will not need to be re-issued before their normal expiry dates. Banks are also expected to issue euro-currency cheques designed for use after January 1, 2002.

Money Guardian is edited by Margaret Hughes

High-street sales feel Tessa pinch

Nick Pandya

FIGURES gleaned from this month's Bank of England's inflation report show that the expected boom in retail sales failed to materialise because 51 per cent of funds on deposit in maturing Tessa accounts were re-invested in follow-up Tessas.

A further 20 per cent were deposited in other savings accounts with only 20 per cent paid out to investors.

The news comes as Tessa providers step up their endeavours to woo savers with bulging balances in their maturing Tessa accounts. NatWest has launched a new Tessa paying an attractive 7.45 per cent for five years. Under the terms of its new account, investors will need at least £5,000 from their maturing Tessa. Interest payments, which are credited quarterly, will return a total of £3,868 to savers investing the full £9,000 after five years—making their initial investment worth £12,868.

The Bradford & Bingley Building Society is offering a new issue Tessa with rate fixed at 7.4 per cent for the next five years. The society

will pay interest yearly, turning the full £9,000 investment into £12,868 after five years.

Savers keen to invest in a fixed-rate Tessa will have to move fast. The Bradford & Bingley says its fixed-rate Tessa is only available for a limited period.

However, savers will benefit from pushing to powder whether interest rates are likely to rise above 7.5 per cent over the next five years. Tessas with pay-out periods of rates of return of 7.5 per cent or more are likely to be worth having if interest rates stay at current levels or drop lower during the two-year term.

After the fall in annual rate of inflation to 2.4 per cent reported this week, most investment analysts are agreed that banks' base rates are likely to hover around the current level of 6 per cent this year and climb in 1997, with an expected rise in consumer spending and increased fears of inflation.

But the expectations are expected to be less dramatic than in the recent past. Interest rates are not expected to swing wildly. The Government policy of keeping the annual inflation rate below 2.5 per cent will not allow the economy to overheat too much.

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Railtrack sale sparks war of Sids and stags

Ian Wylie

BUYING shares in Railtrack was the easy part. Knowing what to do with them once dealing starts on Monday will separate the stags from the Sids.

More than 650,000 private investors applied for Railtrack shares in a public offer that was almost three times subscribed. As a result, the partly paid shares are expected to open at a price of between 210p and 215p compared with the 190p that private investors paid.

The popularity of the £1.9 billion Railtrack sell-off com-

pared favourably with the 1 million people who applied for the £4 billion sales of the power generating company shares last year. However, brokers remain divided on whether Railtrack investors should make a quick killing or seek long-term gains.

With the Government allocating up to half of the issue to private investors, institutional investors will be keen to mop up as many Railtrack shares as possible in the first couple of days, when shares are likely to continue trading at a premium.

But Matthew Orr, a director of private client stockbroker Edilk & Co, warns investors not to hesitate if they intend to

take their profits early. "If you are going in to stag, then stay a stag," he says. "If you have decided in advance what price you want the shares to achieve, and they hit that target on day one, then take your profits."

Mr Orr is advising clients to take a longer-term view. Out of pre-privatisation profits, Railtrack is using £69 million to pay a juicy dividend in October of 17.8p a share before tax, and analysts calculate that the company is likely to provide a first-year yield of 14 per cent.

The Railtrack share price is expected to take a hit in October when some investors pocket the plum dividend and

depart, but Mr Orr believes Railtrack can follow the success of one of the first privatised companies, BAA, and continue to offer shareholder value by profiting from its property portfolio.

EVEN the threat of a tougher regulatory regime under a Labour government does not puncture Mr Orr's optimism.

"The stock market hates uncertainty," he says, "but as a general election approaches, and Labour's policies unfold, much of that uncertainty will be dispelled."

Eric Hathorn, research director at stockbroker Henderson Crosschwaite, is much

less sanguine about the effect of tighter regulation on dividends.

He says: "A Labour government would be stuck with the existing regulatory formula for a few years, but they will be keen to beef up the regulator's other powers."

"Since Railtrack's biggest source of profit will come from cutting costs, a Labour government will be watching like hawks to make sure the company does not boost dividends at the expense of safety."

Mr Hathorn points to the experience of British Gas investors this week as an example of how a tough regulator can wipe out gains made on the issue price. He says: "The



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SCOTTISH WIDOWS

Labour renews threat of windfall tax amid charges that electricity consumers come second to shareholders

Power investors get £1.6bn

Simon Beavis
Industrial Editor

NATIONAL Power yesterday stoked up a new row over the rich rewards still on offer for shareholders from electricity privatisation when it unveiled Britain's biggest corporate hand-out to investors, with a package worth £1.6 billion.

favour shareholders at the expense of consumers. Gordon Brown, said: "Not only should the shareholders benefit, the British public as a whole should benefit from the excess profits of the privatised utilities. Today's news makes the case for Labour's windfall levy to pay for a comprehensive package to alleviate unemployment."

Her call came on the day that a right-wing think tank, the Adam Smith Institute, tried to mount a defence of electricity privatisation but admitted that the sell-off had been unduly slanted towards the interests of management and shareholders to the detriment of consumers.

follows the Government's decision to stamp on the company's ambitions to take over the regional electricity company Southern Electric. The Monopolies Commission had given the green light to National Power's £2.5 billion bid and a similar bid by its smaller rival, PowerGen, for Midlands Electricity.

tacked Mr Lang's decision to block the bids as politically motivated. National Power has decided to get on with rewarding its shareholders. National Power further aroused opposition anger over the pay-out by hinting it would look for authorisation to buy back shares, in a move which would give another boost to earnings and shareholder returns.

March, the company saw its profits rise by 10 per cent to £266 million despite a small fall in sales to just under £3.5 billion. The dividend for the year is rising from 15.45p last time to 23p.

Saturday Notebook

Britain's electric shock for the world



Edited by Mark Milner

THE Adam Smith Institute displayed a fine sense of timing yesterday. Just as the free-market think tank, in a general peacock of praise for electricity privatisation, grudgingly admitted that the exercise was slightly skewed in favour of shareholders and managers - what happened? Up popped National Power with a £1.3 billion handout to investors.

tion of financial market verdicts as "implacable and pitiless", but they may also feel that there is a lot more to life than the role Mr Tietmeyer has chosen for them - that of the watchdog of the Maastricht criteria for monetary union.

For the Bundesbank, the notion that the financial markets will impose on Europe's politicians the economic realities associated with its view of monetary union is no doubt attractive. It remains to be seen, however, whether they are really that well suited to the job.

Politicians and central bankers are well aware of the power of markets. That was the lesson of the exchange rate mechanism crisis of 1992 and 1993. But, as the Guardian's European Editor, John Palmer, points out on page 38, so far there has not even been a warning growl, let alone a bark, from that quarter over the move to EMU.

That should not be too great a surprise. Back in the days when the ERM was the favoured vehicle for a single currency, the markets were swayed by the apparent political will behind that drive towards monetary union to blind them to economic danger signals.

Only when it became apparent that at least one institution was not prepared to sacrifice its economic imperatives on the altar of monetary union did the markets decide the game was up and respond implacably and pitilessly. And which institution was that? Why, the Bundesbank.

Empty kitty

NO politician wants to go into an election year without any money to spend. But if yesterday's evidence of the state of the public finances is anything to go by, that is exactly the position in which the Chancellor of the Exchequer finds himself.

Having set a target of £22.5 billion for the public sector borrowing requirement this year and said *ad nauseam* that he is committed to keeping the public finances under tight control, Kenneth Clarke faces a stark choice.

He can all but guarantee his goal by raising taxes and depriving his Cabinet colleagues who head spending departments of the cash they will inevitably demand this year. Or he can abandon his target in favour of a much more politically attractive spread of income tax cuts and money for the public services.

As the doctors accuse the Government of precipitating "meltdown" in the NHS with their financial reforms, and the public rallies against teacher/pupil ratios in our schools, the prospect of denying voters more money looks politically suicidal.

The pressure from backbench Conservatives to slash income tax is also set to grow unless their party achieves a so-far unexpected leap in the opinion polls.

Mr Clarke and Treasury chief secretary William Waldegrave will have to pin their hopes on strengthening consumer spending to boost revenue in the form of VAT receipts if they want to lavish money on popular projects without unbalancing the public finances further.

But they may ask themselves why they should bother. Given the probability of a Labour government, Conservatives might see little gain in putting the books in order for somebody else at the expense of vote-winning spending.

Yorkshire egos expand as business tykes get together

Martin Wainwright

WITH two tonnes of food and a huge sigh of Yorkshire self-satisfaction, England's largest county traded business together yesterday. At Harewood House near Leeds, in the company of speakers Lech Walesa, Angus Deayton (right, with NatWest Jazz Band) and ex-Taoiseach Albert Reynolds, 1,710 chief executives and board members, all from Yorkshire companies, logged up millions in deals.



Hinchliffe attacks DTI threat to ban him

Tony May

STEPHEN Hinchliffe, the 45-year-old chief of Facia, which claims to be Britain's second-largest private retailer with sales of £250 million, 850 stores and 8,500 employees, could be banned from being a director.

undermines all the allegations that have been made against me." He said the DTI had made its move despite his request that it take more time to consider matters. He hit out at "unbalanced reporting" of his affairs and said he had already begun proceedings against some newspapers.

Mr Hinchliffe is also under threat of legal proceedings from Companies House if Facia's accounts for the year to the end of January 1995 are not filed by July 1.

News in brief

Ford reverses to £213m UK loss

The British arm of Ford reported a 1995 loss of £213 million on turnover of £8.4 billion. In the previous year, Ford of Britain logged a profit of £25 million, on turnover of £5.8 billion. Ford blamed adverse currency exchange rates and the costs of launching three new models - the Fiesta, the revised Escort and the Galaxy.

Exchange chief to give Sids a say

Patrick Donovan
City Editor

PLANS to shake up the structure of the Stock Exchange by giving private client brokers their first direct say in running the market will be unveiled today by its chairman, John Kemp-Welch.

month after a year-long examination of every aspect of the private client market. Its conclusion will represent the most exhaustive reassessment of private ownership of equities since Mrs Thatcher launched Britain's privatisation programme with the pledge to create a "share-owning democracy".

Copper crash baffles experts

PATRICK DONOVAN, TONY MAY and OWEN BOWCOTT chart the panic as big dealers unload 'long' positions

COPPER prices crashed by up to 5 per cent on the London Metal Exchange yesterday, with traders panic-selling on persistent rumours that some of the market's biggest dealers had decided to unwind "long" positions.

global copper market, had been moved to a new job within this organisation, which means that he no longer has a direct trading function. This could affect several leading UK players which are understood to have formed close trading relationships with Sumitomo through Mr Hamanaka.

September 1992, was involved, but others cautioned that the market often conjured up "a big name" to explain big movements.

Court defeat spells larger settlement bill for Lloyd's in battle with Names

Lisa Buckingham

THE distressed Lloyd's of London insurance market faces the prospect of being forced to sweeten further its £3.1 billion settlement offer to Names, or investors, after losing a test case yesterday.

US trade gap grows

A steep rise in the US trade deficit for March intensified pressure on the Clinton administration yesterday to adopt a tough line in its trade dispute with China.

Clarke says Cabinet must choose tax cuts or services

Sarah Ryle

CHANCELLOR Kenneth Clarke is to force Cabinet colleagues to choose between tax cuts or cash injections for public services to meet tough targets for the public sector finances.

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Austria 15.80	Germany 2.2475	Japan 1.939	South Africa 6.40
Belgium 48.10	Greece 359.00	Netherlands 2.5150	Spain 167.50
Canada 1.0225	India 53.45	New Zealand 2.1450	Sweden 10.05
Cyprus 0.6950	Hong Kong 11.42	Norway 1.970	Switzerland 1.8200
Denmark 8.72	Ireland 0.9425	Portugal 232.50	Turkey 111.704
Finland 7.06	Israel 4.90	Saudi Arabia 5.65	USA 1.4900

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Moves to shed communist legacy may not avert bankruptcy or convince aid officials IMF sees Bulgaria on headline

Julian Borger in Sofia

BULGARIA had wanted to put on a display of economic collapse for the International Monetary Fund team visiting Sofia this week. It could not have been better orchestrated. The IMF's arrival has coincided with a run on the national currency, the lev, a severe banking crisis and the worst bread queues since communism.

Foreign currency reserves fell to \$483 million this week, more than \$38 million short of the debt-servicing payments due in June and September. With such limited reserves, the central bank was unable to come to the defence of the lev, which lost 13 per cent of its value on May 8. The IMF team arrived to witness account-holders besieging the banks to demand their deposits. Only a spectacular interest rate rise restored stability. In one of Europe's most fertile countries, the bread shortage has been the most dramatic failure of the BSP government. So much wheat was exported last year to take advantage of high prices that there is insufficient to meet domestic demand. Grain is being released from national reserves, but as soon as bread appears in the shops it is bought up by hoarders. The banking and bread crisis has had a sobering effect on the BSP.

The party won a parliamentary majority in December 1994 but its complacency was shattered by the growing threat of civil unrest. At a stormy leadership plenum on Sunday, Zhan Videnov won approval to start closing unviable state enterprises. A plan to restructure the banking system was submitted to the IMF last month, with the government proposing to close the three main loss-makers. But it argued that it could not afford the \$46 million it would cost to pay off depositors. Parliament approved a

bankruptcy law this week, giving the Bulgarian National Bank greater powers to close or restructure ailing banks. A parallel deposit insurance bill has yet to be voted on. The list of 64 enterprises to be liquidated, published on Wednesday, represents a combined loss of \$113 million last year. The list includes Bulgaria's second-biggest oil refinery, four mines and a dozen vegetable-canning and meat-processing plants, and the closures will bring 29,000 job losses. The government has drawn up a second list of 70 companies, including Balkan Airlines, and the metallurgical company Kremikovitsi which will be cut off from further bank credit and forced to undergo restructuring. The main question now facing the IMF and World

Bank missions is whether the government will stick to any restructuring agreements it makes in the coming month. A significant wing of the BSP comprises old-style communists and most of its supporters are industrial workers who will suffer the brunt of the retrenchment measures. Furthermore, the government has shown itself to be a reluctant reformer. The country's planned mass privatisation programme has yet to get under way, and cash privatisations have virtually ceased. Alexander Boshkov, an economist from the opposition Union of Democratic Forces, predicts that Mr Videnov will string the IMF along, delaying the closure of state factories until presidential elections, due in about six months. "It won't happen," Mr Boshkov said. "They are not going

to kill the goose that lays the golden egg." Most diplomats and independent analysts are more upbeat, arguing that the IMF is not easily fooled, and the government has run out of alternatives. "I think they're motivated enough and hypocritical enough to proceed with the scheme—that is, to pursue policies diametrically opposite to their platform in 1994," said Krassen Stanchev, head of the Institute for Market Economics in Sofia. But while this might increase social tension, sticking to an IMF programme might not be enough to protect Bulgaria from further financial crises. Even with an IMF loan expected to be \$133 million—\$186 million, central bank reserves could be almost wiped out by this year's debt repayments, further sapping confidence in the lev.

Oslo complains of being in cold on Trafalgar deal

Patrick Donovan City Editor

THE \$902 million takeover of Trafalgar House by Norwegian-based Kvaerner is being investigated by the Oslo stock exchange, which is concerned that the deal may have breached market regulations. According to a letter which has been circulating around Oslo-based broking houses, the exchange's state-chartered auditor, Geir Olsen, is considering whether Kvaerner "acted contrary to two exchange regulations" governing takeover bids. These require any bidder to give full disclosure to all shareholders with interests in a particular takeover bid. The engineering and shipping combine Kvaerner won control of Trafalgar House, best known for running the QE2 cruise liner and its construction activities, last month.

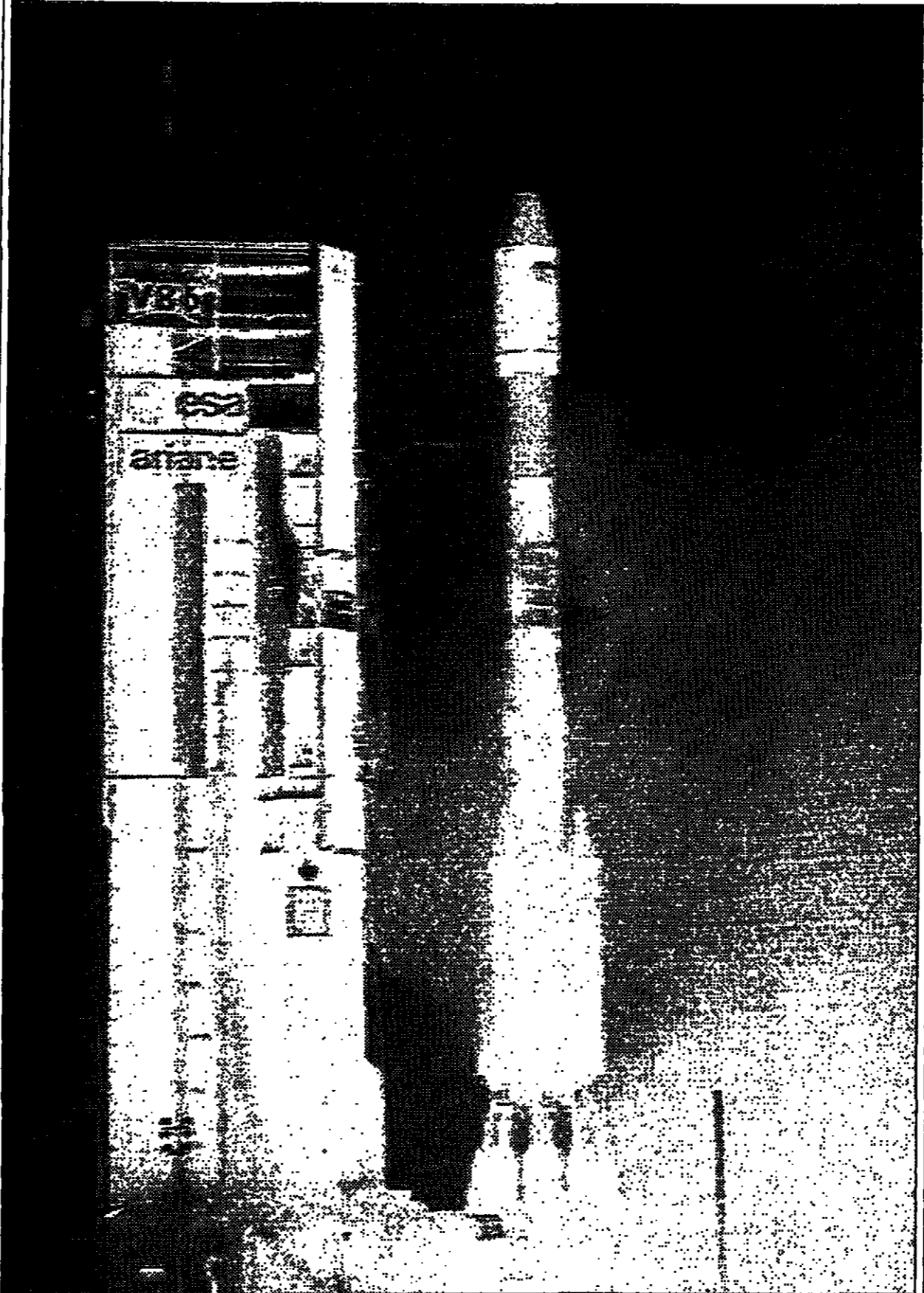
Kvaerner yesterday acknowledged that it had received a letter from the Oslo stock exchange "seeking some clarifications" about the deal. It added that the company "is satisfied that it has kept the Oslo stock exchange fully informed on the takeover of Trafalgar House. This has been discussed with the exchange and Kvaerner foresees no further problems." SBC Warburg, the merchant bank which was hired to carry out the offer on behalf of Kvaerner, declined to comment. The exchange appears to be concerned about the failure of Kvaerner and its advisers to provide the market with full information when the bid was announced. In the letter, the exchange complains that, despite "assurances", information was given to London-based investors which had not been available to Oslo-based institutions, even though Kvaerner is a Norwegian company. The letter also says that details of the original offer had not been sent because of an "error" made by SBC Warburg. The letter to Kvaerner director Jan Magns Heggelund, said that an explanation was required about why the company and its advisers failed to follow market rules by keeping all investors abreast of details of the bid. It also criticises directors for releasing selective information about deals to reduce borrowings through asset divestments and financial profit forecasts, and said that these details had not been generally available.

EC pours oil over monetary union forecast

Market silence greeted Commission's EMU hopes, writes JOHN PALMER in Brussels

THE European economic slowdown and unemployment are worse than expected, the timing and strength of recovery is in doubt, most European Union countries still do not meet the Maastricht treaty conditions for joining a single currency—but the dog still has not barked. The most eloquent comment so far on the latest Commission predictions about who will make the 1999 single currency deadline, has been the silence of the international financial markets. It is unlikely that the markets take at face value the Commission's detailed economic forecasts or the remarkably precise prediction that Germany will reduce its budget deficit from over 4 per cent to just 2.9 per cent in 1997, with France actually hitting the 3 per cent limit right on the nose. But there is no sign that the markets are ready to challenge EU leaders' confident insistence that monetary union will indeed start as planned in 30 months time. At present, only three countries meet the essential criteria for monetary union: Denmark (which has the right to opt out), Ireland and Luxembourg. But France, Germany, the Netherlands, and Finland are also expected to make the cut, with Austria and Sweden likely to do so as well. The Commission even suggests that with an extra effort—namely Belgium and Britain—may qualify as well. Does this amount to any more than whistling in the dark? To judge by present economic trends, the Commission's optimism is questionable. Its detailed economic forecasts this week appear to have benefited from a liberal use of massage oil. Account was taken not only of current budget revenues and spending but also the impact of the austerity measures which have been unveiled by a number of governments. In the winding up of the spending cuts of 50 billion marks (\$21 billion) announced by Chancellor Kohl but which have not yet been

approved by the Bundestag, let alone actually implemented, were factored into the forecasts. A great deal now rests on the expected European economic upturn on which the forecast average 3.4 per cent growth rate for the EU next year crucially depends. With interest rates and inflation at a long-term low, the scene could be set for a strong recovery. But the Commission itself is uneasy about continuing investor and consumer nervousness and it concedes that popular resistance to budget deficit cuts could yet "add to doubts among some observers as to whether a sufficient number of member states would be ready to participate in EMU at the starting date of January 1, 1999". Without firm evidence of recovery by the early autumn, or if Chancellor Kohl's drive to cut the German deficit falters, the markets will once again question the entire EMU timetable. But for the present, the market is pricing medium and longer bonds for the core EMU countries on a basis which reflects a deep conviction that monetary union will happen. Currency dealers fully expect France, and even Germany, to still be on the wrong side of the 3 per cent figure by the end of next year. The treaty, however, explicitly allows a more relaxed view to be taken of a country's readiness to lock its exchange rates than its precise performance on budget deficits or government debt. Providing the budget deficit trend of both countries is clearly downwards, they will lead the first wave of EMU countries in 1999. European monetary union has always been as much a political as an economic project. It cannot succeed if the core EMU countries fall hopelessly short of the Maastricht treaty reference values. But if they are seen to be on a long-term track to monetary stability, political will is certain to triumph over any theological reading of the treaty's small print.



On the high way... Europe's 86th Ariane rocket, launched from Kourou in French Guiana this week, placed in orbit satellites for Israel and Indonesia. Israel's first commercial satellite is designed to stay in geostationary orbit for 10 years; the Indonesian satellite will provide communications services in South-east Asia and parts of China

Union gloom at Spain's 'slaughter'

Severe financial cuts upset balance, ADELE GOOCH reports from Madrid

THE dismal looks on the faces of the leaders of Spain's main unions as they left their first formal meeting with the country's new conservative prime minister, Jose Maria Aznar, said it all. "Next time he wants a group photograph he's going to have to offer something in return," said Antonio Guterres of the Workers Commissions. The message from Mr Aznar had been tough. Spain needs to slash spending in order to lower the budget deficit and qualify for monetary union. If not by 1999, when few analysts believe it can be done, then by 2002. Mr Aznar's offer to both unions and employers of a "social pact" in which the cutbacks were agreed by consensus, fell on stony ground, although consultations will continue. One of Mr Aznar's problems is fighting unemployment remains stubbornly high at 23 per cent, with 3.6 million people out of work. Spaniards are spending less now than in the eighties boom years, when interest rates were more than double their present level. A revised growth estimate of 2.3 per cent, compared to an anticipated 3 per cent, is particularly bad news. Mr Aznar has already announced cuts of 200 billion pesetas (just over £1 billion) this year. Not enough, say the Catalan nationalists whose backing put the Popular Party into office. The price paid for that support is one of the factors complicating Mr Aznar's task. He has agreed to let the 17 regional governments collect and spend 30 per cent of income tax, com-

pared to 15 per cent before. That means less in the communal kitty and squeals from poorer areas. A key figure in the new administration is Jose Barea, a 73-year-old academic, nicknamed Scissorhands, who has been appointed to run a new budget control office. Mr Barea agrees with the Catalans that further cuts of around 700 billion pesetas are needed. Government ministers are adamant, however, that benefits are safe. The spending power of pensions, a particularly sensitive issue, will be guaranteed. Public works are set to suffer, health charges may be introduced and the new education minister, Esperanza Aguirre, known as Spain's Mrs Thatcher, is busy looking to make cuts. Mr Aznar is also committed to fighting benefit and tax fraud. But, after taking a look at the state accounts, he claimed they were full of black holes and that tax cuts promised in the campaign would have to wait. He also plans to tackle ailing state industries such as mining and shipbuilding. They are a legacy of the paternalistic, nationalised economy created by General Franco which costs the government 1.3 billion pesetas a year. The new industry minister, a Catalan Josep Pique, plans to privatise the profitable and slaughter the rest. It is these plans, together with others to make labour law more flexible, that arouse the deepest suspicions in the unions. That could spell trouble. Last year the former socialist government gave up on plans to close shipyards when workers rioted.

Update

□ Copenhagen stock exchange will co-operate or merge with other exchanges in order to survive after 2000, when a common European currency is expected to be in use. "I don't think we will start introducing a new [electronic] system on our own, so I think the future will be that we have to have a co-operation or maybe a merger with other stock exchanges so we can split the cost," said Lars Johansen, the chief executive of the exchange.

□ The French government is considering the nationalisation of Dassault Aviation as a possible way of pushing through its proposed merger with Aerospatiale, according to Le Figaro. Both companies have until June 30 to present an outline plan, but Dassault Aviation chairman Serge Dassault is refusing to meet his Aerospatiale counterpart, Louis Galois, the newspaper said.

□ A strike by engineering workers in Norway is threatening components supplies to a number of European car manufacturers. Production of BMW

Daimler-Benz chief's sorry state may not mollify investors

DENIS STAUNTON in Berlin

DAIMLER-BENZ chief executive Juergen Schrempp will have a lot of explaining to do when he faces angry shareholders at his company's annual meeting in Stuttgart on Wednesday. Europe's biggest industrial company made a record loss of DM5.7 billion (£2.5 billion) last year and, for the first time in 45 years, shareholders did not receive a penny in dividends.

A group of small shareholders tabled a motion blaming Mr Schrempp and his management colleagues, and the three big German banks, Deutsche Bank, Dresdner and Commerzbank, have taken the unusual step of asking their depositors how they should vote on the issue. If the Daimler-Benz management is held responsible for the losses, disappointed shareholders could seek retribution through the courts. Mr Schrempp, who started

in Daimler-Benz as an apprentice on the factory floor, cultivated a macho image, smoking 70 Marlboro a day and putting away impressive quantities of wine and beer. He has lost no time in overturning his predecessor Edward Reuter's most cherished plans, including many Mr Schrempp helped to formulate. Mr Schrempp will outline his own vision next Wednesday, based on the concept of "shareholder value", making

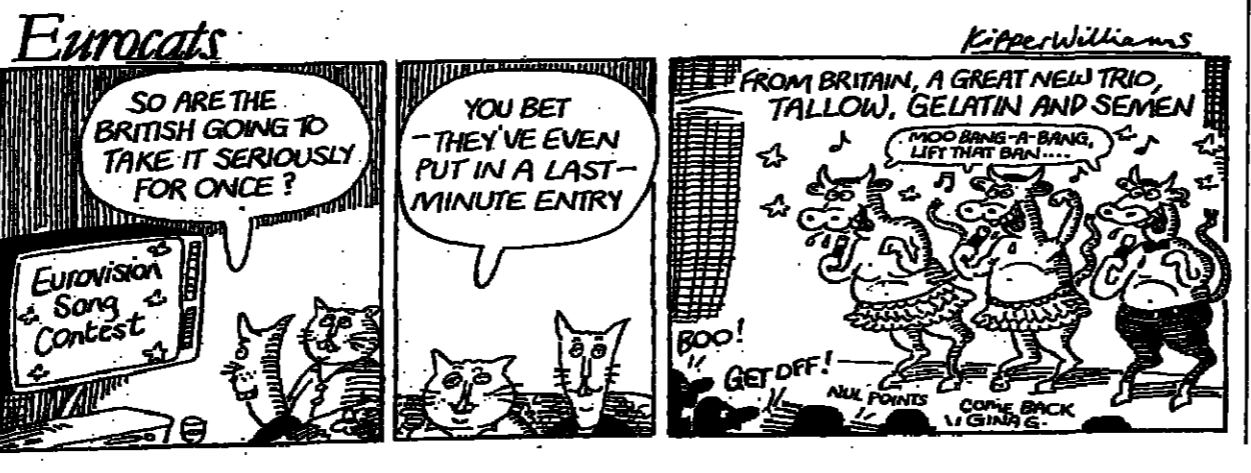
the company's value on the stock exchange its top priority. It is a controversial concept in Germany, where post-war economic success has been based on a consensus between industry, trade unions and government. "I don't have much time for Germany any more," Mr Schrempp was quoted as saying in a German newspaper last week. His rhetoric has already boosted Daimler-Benz's share price, but many Germans fear that "shareholder value" will cost thousands of their fellow citizens their jobs. When Mr Schrempp announced his company's withdrawal from Fokker after sustaining massive losses, he admitted that he was to blame for the original decision to invest. His star has risen steadily since then, boosted by a sympathetic business press in Germany and abroad. According to the current edition of the weekly newspaper Die Zeit, he can hardly believe his luck. "I'm the first boss who squandered DM2.3 billion and then said without beating around the bush 'it was all my fault,'" he boasted. "While other managers are sacked for DM50 million, I'm still here."

Montedison rejects call to stop playing Italy's whole in one game

JOHAN GLOVER in Milan

WHAT is there in common between Eridania, a huge Paris-based agribusiness firm; Edison, an Italian electricity generating company; Antibiotici, a Spanish pharmaceutical operation; a 50 per cent stake in Montell, one of the world's biggest plastics producers; and a plant engineering firm and a gaggle of minor chemicals interests? These are the main businesses of Montedison, a Milan-based conglomerate that this week rejected a break-up proposal from its second-largest shareholder. True to the Italian tradition of baroque corporate structures, Montedison is a holding company that is itself held by another company. This is Ferruzzi Finanziaria, which in 1983 collapsed under its \$12 billion debt and had to be rescued by its banks. As well as 32.3 per cent of Montedison, Ferruzzi owns a controlling stake in a large insurer. In a letter leaked to the press this week, Luca Padull, who owns 4 per cent of Montedison, criticised the company's lack of a clear strategy

and its image as a chemicals concern; the lack of transparency in the relationship between Ferruzzi and Montedison; and the company's share price performance. This year the holding company has seen its share price fall by about a fifth. The Milan market is up; the share prices of Edison, which has a lucrative supply contract with the national electricity utility, and of Eridania have soared. Mr Padull bought his stake in 1983 after the group's meltdown. He works through a Gibraltar-based company, Code-louf, with offices in London. In his letter, Mr Padull claimed he had the backing of 19 per cent of the company's capital, held mostly by foreign investors. That is hardly enough, however, to take on Ferruzzi and its allies at Mediobanca, the Milan investment bank that was behind the creation of Montedison in the 1960s and is still a shareholder. Montedison's structure represents "a balanced portfolio of activities offering numerous opportunities for development", managing director Enrico Biondi told analysts after publication of the letter.



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Finance Guardian

An industry fuelled by its growth obsession is planning to take rail under its wing. KEITH HARPER and MARK MILNER report



Soft landing... British Airways' dominant presence at Heathrow gives it a cost advantage but Britain's cumbersome planning procedures are delaying urgently sought expansion

PHOTOGRAPH: DAVID SILLITOE

Airlines broaden their horizons

THE world is shrinking, but not fast enough for its biggest airlines. Check in at Heathrow and you can fly to Little Rock and Charlotteville or 200 other US destinations under British Airways' code-share arrangements with its American partner, USAir.

drop in custom for his airline's service between the two capitals. BM cannot afford a public display of handwringing. Events are moving too fast for that. So it is attempting to grab at least one slice of the action, by talking with Richard Branson, a member of the Channel rail service operating consortium, about ticket-sharing on Eurostar.

Moreover, lengthy planning procedures for the approval of new airports are frustrating the airlines. A decision is awaited on a second runway for Manchester, and the Terminal 5 inquiry at Heathrow will drag on for more than another year, with no decision expected this side of the millennium.

It has stolen a march on its rivals in Europe by taking stakes of just under 50 per cent in Deutsche BA and TAT European Airlines of France, but the operations have still to show a profit, partly because of the 40 per cent mark-up required to operate in some parts of Europe.

European rivalry brings extra turbulence

WHILE Europe's flag carriers prepare to meet the challenges presented by growing globalisation of the airline industry, many are seeking simultaneously to set their own houses in order. Competition within the European Union is already on the increase, thanks to the likes of British Midland, EasyJet and Euro Belian Airlines, now renamed Virgin Express.

Advantages. Apart from Atlanta, it operates five large hubs in the US at Dallas/Fort Worth, Cincinnati, Salt Lake City, Los Angeles and Orlando. And it has a Pacific hub at Portland, Oregon, part of the American hinterland where BA is weak. It also operates more than 2,500 flights each day to 197 cities in 26 countries.

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The real rights issues
Roger Cowe
STRANGE noises yesterday from the vicinity of Heathrow airport: the sound of lips being smacked and hands rubbed as deputy prime minister Michael Heseltine led a planeload of top British business people on a selling spree to China.

Quick Crossword No. 8129
Across: 1 Class (8), 5 Stuff (4), 9 Play (5), 10 Bridge over land (7), 11 Presidency (12), 13 Characterise (6), 14 "Hero" of "Measure for Measure" (6), 17 Smallest British rodent (7,5), 20 Sound that may be stolen (7), 21 Flower (5), 22 Noblemen or equal (4), 23 Intrepid (8)
Down: 1 Give up (4), 2 Cafe (paradoxically?) (7)

Handwritten signature or mark at the bottom of the page.